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Utah
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State of Utah

Comprehensive Annual Financial Report

for the fiscal year ended June 30, 1988

STATE OF UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 1988

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Edward T. Alter	State Treasurer
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Arnold Christensen	President of the Senate
Glen E. Brown	Speaker of the House
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Gordon L. Crabtree, CPA	Director, Division of Finance
Dale Hatch, CPA	Director, State Planning and Budget Office
Leo L. Memmott	Legislative Fiscal Analyst
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ACKNOWLEDGMENTS

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Special appreciation is given to all of the budget and accounting officers throughout the State whose extra time and effort made this report possible.

STATE OF UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 1988
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Title Page - Acknowledgments i
Table of Contents ii
Director of Finance - Letter of Transmittal iv
Certificate of Achievement for Excellence in Financial Reporting ix
Financial Highlights 1

FINANCIAL SECTION

Independent State Auditor's Report 7

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Statements - Overview

Combined Balance Sheet - All Fund Types and Account Groups 10
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds 12
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis): General Fund, Special Revenue Funds and Debt Service Fund 14
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Similar Trust Funds 16
Combined Statement of Changes in Financial Position - All Proprietary Fund Types and Similar Trust Funds 17
Combined Statement of Changes in Fund Balances - College and University Fund Types 18
Combined Statement of Current Funds Revenues, Expenditures and Other Changes - Colleges and Universities 19
Notes to Combined Financial Statements 20

COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS

General Fund:

Schedule of Revenues - Budget and Actual - Detail by Source 47
Schedule of Expenditures - Detail - Budget and Actual 48

Special Revenue Funds:

Combining Balance Sheet 65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 66
Schedule of Revenues - Budget and Actual - Uniform School Fund - Detail by Source 67
Schedule of Expenditures - Detail - Budget and Actual - Uniform School Fund 68
Schedule of Revenues - Budget and Actual - Transportation Fund - Detail by Source 71
Schedule of Expenditures - Detail - Budget and Actual - Transportation Fund 72

Enterprise Funds:

Combining Balance Sheet 76
Combining Statement of Revenues, Expenses and Changes in Retained Earnings 77
Combining Statement of Changes in Financial Position 78

Internal Service Funds:

Combining Balance Sheet 80
Combining Statement of Revenues, Expenses and Changes in Retained Earnings 82
Combining Statement of Changes in Financial Position 84

Trust and Agency Funds:

Page

Combining Balance Sheet 89
Combining Balance Sheet - Pension Trust Funds 90
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Pension Trust Funds 92
Combining Statement of Changes in Financial Position - Pension Trust Funds 94
Combining Balance Sheet - Expendable Trust Funds 96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds 97
Combining Statement of Changes in Assets and Liabilities - All Agency Funds 98

General Fixed Assets Account Group:

General Fixed Assets by Function and Activity 102
Changes in General Fixed Assets by Function and Activity 103

College and University Funds:

Combining Balance Sheet 106

STATISTICAL SECTION

General Governmental Expenditures by Function - Last Ten Fiscal Years 110
General Revenues by Source - Last Ten Fiscal Years 111
General Obligation Bonds 112
Ratio of Net General Bonded Debt to Reasonable Fair Cash Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years 112
Calculation of Legal Debt Limits - Last Ten Fiscal Years 113
General Obligation Bonded Debt Per Capita - Last Ten Fiscal Years 113
Ratio of Bonded Debt to Reasonable Fair Cash Value - Last Ten Fiscal Years 113
Ratio of Debt Service Expenditures to General and to All Governmental Fund Type Expenditures - Last Ten Fiscal Years 114
Enterprise Funds Revenue Bond Coverage - Last Ten Fiscal Years 115
Revenue Bonds/Notes 115
Population, Taxable Sales, Personal Income 117
Personal Income by Sector 118
Composition of Civilian Work Force Monthly Average 119
Average Annual Unemployment Rate - Last Five Fiscal Years 119
Gross Taxable Retail Sales and Use Tax Purchases - Last Five Fiscal Years 120
Bank Deposits - Last Ten Years 120
Largest Employers 121
Graph of Revenues and Expenditures - All Governmental Fund Types - Last Five Fiscal Years 122
Graph of Expenditures Historical and Constant Dollars - All Governmental Fund Types - Last Five Fiscal Years 123
Graph of Per Capita Expenditures Historical and Constant Dollars - All Governmental Fund Types - Last Five Fiscal Years 124
Expenditure Comparison by Type - General Fund 125
Expenditure Comparison by Type - Uniform School Fund 126
Expenditure Comparison by Type - Transportation Fund 126

State of Utah
DEPARTMENT OF ADMINISTRATIVE SERVICES
DIVISION OF FINANCE

Norman H. Bangerter
Governor
Gordon L. Crabtree, C.P.A.
Director

2110 State Office Building
Salt Lake City, Utah 84114
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November 14, 1988

To the Citizens, Governor,
and Members of the Legislature
of the State of Utah

It is our pleasure to present the 1988 Comprehensive Annual Financial Report of the State of Utah in accordance with Section 63-1-16 of the *Utah Code Annotated, 1953*, as amended. This report includes the financial statements of the State of Utah as well as the necessary disclosures to accurately present the State's financial position and results of operations in all material respects. Also, statistical and demographic information are included to give the reader the maximum understanding of the State's financial affairs. In addition, this letter and introduction to the report includes some information that will assist you as well as help the casual reader understand the contents of this report.

Reporting Entity

The Comprehensive Annual Financial Report includes various departments, agencies, and other organizational units governed by the State legislature and/or the constitutional officers of the State of Utah. The following criteria were used in determining if a particular entity should be included in this report as an integral part of State Government: Selection of the governing authority, appointment of management, legislative or executive ability to significantly influence operations, and accountability for fiscal operations. The entities that are a part of this report include, but are not limited to, the Utah State Retirement Office, Unemployment Compensation Trust Fund, Workers' Compensation Fund, Utah Housing Finance Agency, Alcoholic Beverage Control Commission, Board of Regents Student Assistance Programs, and State Colleges and Universities.

The State provides a range of services including education, health and social services, highway maintenance and construction (transportation), law enforcement, judicial, public safety, and community and economic development. The costs of these services are reflected in detail and in summary in this report.

Accounting System and Budgetary Control

The State's financial statements for general governmental operations, the expendable trust funds and the agency funds have been prepared on the modified accrual basis of accounting meaning that revenues are recognized in the accounting period in which they become measurable and available and expenditures are recognized in the accounting period in which fund liability is incurred if measurable. The proprietary, non-expendable trust, pension trust, and college and university funds are accounted for on the accrual basis of accounting with all transactions recorded when they occur, regardless of when the related cash is received or disbursed.

The State's system of internal controls over the accounting system have been designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary control is exercised by legislative authorization of expenditures appearing in the State *Appropriation Act*. This Act also identifies the source of funding for the budgeted amounts. In the event funding is insufficient to cover appropriations, the budgeted expenditures must be reduced. Budget reductions are made routinely throughout the year for shortfalls in departmental collections, dedicated credits and federal revenue.

General Governmental Functions

General governmental functions are represented by the general fund, the special revenue funds, the debt service fund, the capital projects fund, the general long-term debt account group and the general fixed assets account group.

Revenues for general governmental functions totaled $2,411,291,000 in 1988, an increase of 4.7% over 1987. The amount of revenues from various sources and the changes from last year are shown as follows:

Revenue Source	Amount	Percent of Total	Increase (Decrease) From 1987 Amount	Increase (Decrease) From 1987 Percent
Sales Taxes	$ 616,091,000	25.5%	$ 56,975,000	10.2%
Individual and Corporate Income Taxes	614,119,000	25.5	11,520,000	1.9
Motor and Special Fuel Taxes	156,924,000	6.5	36,312,000	30.1
Licenses, Fees and Permits	52,608,000	2.2	1,393,000	2.7
Interest on Investments	28,099,000	1.2	(372,000)	(1.3)
Federal Revenues	670,255,000	27.8	(24,072,000)	(3.5)
Other Taxes and Revenues	273,195,000	11.3	26,364,000	10.7
Total	$ 2,411,291,000	100.0%	$ 108,120,000	4.7%

The Sales and Use Taxes, the largest unrestricted source of State tax revenues, increase of $56,975,000 or 10.2% over the previous year was the result of a 0.5% sales tax rate increase to 5-3/32% effective April 1, 1987. Sales tax revenues were also increased by a revival in the oil and mining industry and the reopening of Geneva Steel plant and Kennecott's mining operation. Other operations expanding in Utah included Delta Airlines, AT&T, Stouffer's Foods, and a new McDonnell Douglas Corporation facility providing additional sales tax revenues.

Of the fiscal year 1988 Income Taxes, $530,692,000 was received as individual income taxes. This represented a decrease of $2,498,000 or a 4.7% decrease. The decrease was due mainly to State tax reforms. The State revised the method of income tax computation effective January 1, 1987 resulting in larger than expected income tax collections (cash basis) totalling $635,492,000 for the fiscal year ended June 30, 1988. In the July 1988 Second Special Session the Legislature, on recommendation from the Governor, reduced individual income tax rates by 5% and restored the deduction for one third of the federal income tax. Both actions were retroactive to January 1, 1988. Inasmuch as withholding tax tables in effect from January 1, 1988 to June 30, 1988 used the higher tax rate, $27,800,000 was overwithheld. Income tax collections were reduced and accrued liabilities were increased for the overwithholding. The Legislature also authorized a 12.5% refund of individual income taxes paid for calendar year 1987. The refund was authorized to be taken from the income tax collections of the fiscal year ended June 30, 1988 and were paid in September 1988. This resulted in a $77,000,000 reduction in income tax collections and an increase in accrued liabilities at June 30, 1988. The net effect of the reduction and the refund reduced income tax revenues to $530,692,000. The remaining $83,427,000 of income tax was collected as corporate income taxes. This represents an increase of $14,018,000 or 20.2%. The increase was due to an increase in corporate profits as well as rebounding of the mineral, oil and gas, and heavy industries, and growth in the service related industries as mentioned above under sales tax.

The Motor and Special Fuel Taxes increase of $36,312,000 or 30.1% was attributable to a tax increase of 5 cents per gallon, effective April 1, 1987. The overall motor fuel tax rate is now at 19 cents per gallon.

The Licenses, Fees and Permits increase of $1,393,000 or 2.7% is attributable to some rate increases as well as increased numbers of various professional licensing and regulation fees due to the expanding population and the growth in service related jobs.

The Interest on Investments decrease of $372,000 or 1.3% was the result of decreases in the school land funds interest income of $5,865,000 and an offsetting increase of $5,493,000 for regular investments. The decrease in school land interest took place because of a constitutional revision that caused this school land fund income to be deposited in the permanent (non-expendable trust) school fund. Where as, in prior years, the income was deposited in the Uniform School (Governmental) Fund. The offsetting increase in interest revenue of $5,493,000 was mainly due to an increase in the average daily cash balances invested by the State Treasurer of approximately 47% due mainly to increased tax collections. The average investment yield for fiscal year ended June 30, 1988 was 7.1%, compared to an average annual yield of 6.7% for fiscal year ended June 30, 1987.

The Other Taxes and Revenues increase of $26,364,000 or 10.7% was the result of a rebound in the oil prices causing an increase of $7,626,000 in mine (oil) occupation taxes, also federal mineral lease revenue increases of $6,452,000. Cigarette and tobacco tax rate was increased 11 cents resulting in a $5,639,000 increase in total revenues. Also, the aeronautics fund revenue increased $6,886,000.

The Federal revenue decrease of $24,072,000 or 3.5% was mainly attributable to an $18,414,000 decrease in federal highway funds. This was the result of a combination of factors, including completion of a section of the interstate system and a change in the mix of federal and state funds for highway maintenance and construction. The additional decrease in federal funds of $12,952,000 was mainly due to substantial completion of the federally subsidized cleanup of the Vitro Uranium tailings. Federal education funds increased by $3,994,000.

Expenditures for total general governmental functions were $2,431,042,000 a decrease of 0.2% over 1987. State government expenditures by function and the changes from last year are as follows:

Function	Amount	Percent of Total	Increase (Decrease) From 1987	
			Amount	Percent
General Government	$ 149,223,000	6.1%	$ 9,217,000	6.6%
Education:				
Public	787,773,000	32.3	44,244,000	6.0
Higher	263,473,000	10.9	12,255,000	4.9
Social Services, Corrections and Health	626,609,000	25.7	20,502,000	3.4
Transportation and Public Safety	351,680,000	14.5	7,871,000	2.3
Natural Resources	57,657,000	2.4	2,802,000	5.1
Community and Economic Development	52,648,000	2.2	(5,923,000)	(10.1)
Business, Labor and Agriculture	21,069,000	0.9	(1,401,000)	(6.2)
Debt Service	58,447,000	2.4	(32,557,000)	(35.8)
Capital Projects	62,463,000	2.6	(62,675,000)	(50.1)
Total	$ 2,431,042,000	100.0%	$ (5,665,000)	(0.2)%

The increase in General Government expenditures of $9,217,000 or 6.6% is mainly attributable to a one time contribution of $5,847,000 paid to the State Retirement Office from first year savings of the Early Retirement window program established by the 1987 Legislature. This first year payment will lower retirement contribution rates in the future to fund the Early Retirement program. The Early Retirement program resulted in net savings to the State from lower salaries of replacement employees and by a net reduction in employees. The remaining increase in expenditures was primarily the result of increased cost in the State's court systems and Attorney General's Office.

Expenditures for public and higher education is the largest use of State revenues. The Higher Education expenditures include $259,330,000 of General Fund expenditures that are classified as transfers to the colleges and universities in the Generally Accepted Accounting Principles basis financial statements. The increase of 6.0% in Public Education and increase of 4.9% in Higher Education reflects the continued increase in school age population. The increase in expenditures were funded by the tax increases described above.

The social services, corrections and health expenditure increase of $20,502,000 or 3.4% represents an increase of $3,835,000 in Department of Corrections expenditures which is a direct result of increasing prison populations and the number of correctional facilities. Also, the Departments of Social Services and Health expenditures increased by $16,667,000 which was the result of an increased number of people receiving public assistance as well as rate increases. Most of the funding comes from federally sponsored assistance programs including food stamps and medicaid.

The Transportation and Public Safety expenditures increase of $7,871,000 or 2.3% was due mainly to highway construction increases funded from increased State motor fuel tax revenues.

The Debt Service expenditures decrease of $32,557,000 or 35.8% was created when unusually high expenditures of the prior year were not repeated. Last year a principal payment of $29,950,000 was made to pay off the 1985 Prison General Obligation bonds.

The Capital Project expenditures decrease of $62,675,000 or 50.1% was mostly related to completion of the West Desert Pumping Project. The pumping project created unusually high expenditures totalling $53,047,000 in the prior year. The pumps are intended to control the level of the Great Salt Lake which reached a record level in 1986, and had caused extensive property damage in the prior years. The lake level has consequently been reduced by as much as two and one half feet.

Each fund of the State maintains an equity position which is either restricted by State law, contract, or is unreserved and available for future appropriation. The status of the State's General Fund and Special Revenue Funds is noted below:

A. General Fund - The General Fund was able to complete the year without mid-year budget cuts for the first time in three years. In addition, departments lapsed unexpended appropriations of $6,731,000 to the unrestricted fund balance. This, along with increases in revenues, resulted in the General Fund ending the fiscal year with an unreserved balance of $32,580,000 of which $22,857,000 was set aside and restricted by statute for a Budget Deficit Reserve Fund (Rainy Day Fund). Total restricted balance at fiscal year end stood at $173,945,000.

B. Special Revenue Funds - These Funds are composed of the Uniform School Fund and the Transportation Fund. Both funds were able to complete the fiscal year without the mid-year budget cuts that had become routine in past years. The Department of Transportation had returned $21,678,000 of unexpended appropriations to the unrestricted Transportation Fund. The Transportation Fund ended the year with an unreserved fund balance of $13,549,000 and a restricted balance of $2,386,000. At year-end, the Uniform School Fund had no unreserved balance and a restricted balance of $14,409,000.

Debt Administration

The State continues to enjoy a triple "A" rating from Moody's Investors Service and Standard and Poor's Corporation. This high rating saves the State millions of dollars in interest on general obligation and revenue type bonds. During the year, the State issued $64,200,000 in General Obligation bonds of which $58,475,000 will be used for capital facilities and $5,725,000 was used to purchase buildings previously being leased by the State.

Cash Management

Cash is controlled by the State Treasurer or by other administrative bodies as determined by law. All cash deposited with the State Treasurer by State entities is managed in pooled investment funds to maximize interest earnings. The Treasurer invests the cash including the cash float in short-term securities and other investments within the provisions of the State Money Management Act (*Utah Code Annotated, 1953*, as amended, Section 51-7). In addition, the State is taking steps to implement the "State/Federal Cash Equity Program". This program ensures that the State will have adequate cash resources to cover federal program expenditures.

Risk Management

The State is self-insured against certain property and liability claims. The Legislature established the Administrative Services Risk Management Fund to pay for commercial insurance or accumulate reserves for the self-insured portion of certain property and liability risks. Revenues are generated from premiums charged to State departments and institutions of higher education and also from several local school districts.

The property self-insurance limits for the fiscal year 1988 were $1,000,000 per claim with an annual aggregate of $2,500,000 per policy year. Generally, claims in excess of the self-insured limits are covered by insurance policies with private insurance companies.

Independent Audit

In compliance with State statute, an annual financial audit of the State entity is completed each year by the Utah State Auditor's Office. Their examination was conducted in accordance with generally accepted auditing standards, and their opinion has been included in this report. In addition, the State coordinates through the State Auditor the "Single Audit" effort of all Federal funds.

Certificate of Achievement

We are proud to announce that the Government Finance Officers Association of the United States and Canada (GFOA) for the third year in a row has awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Utah for its Comprehensive Annual Financial Report for the year ended June 30, 1987.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. We are committed to this effort and we intend to maintain a highly qualified and professional staff to make this certification possible.

Prospects for the Future

During the past fiscal year State government began to realize a recovery of revenue erosion of the prior year. This recovery was the result of changes to tax rates in 1987, as well as a general improvement in the State's economy. However, the State Legislature returned the majority of the State's collections surplus through an income tax refund of $77,000,000 and a reduction of the individual income tax liability of approximately 11.1%.

The citizens voiced their concern with the 1987 tax increases through a petition drive to place three tax limitation and tax rollback initiatives on the November 8, 1988 ballot. The initiatives would have rolled taxes back to 1986 levels and limited the local property tax levels. They also would have provided tax credits for children in private schools. Even though all of the initiatives failed to pass during the election, the message to the Governor and the Legislature is strong that the citizens have reached their tax limit. It is expected that the elected officials will be looking for potential tax rate reductions in future years.

The economy in Utah continues to experience positive growth and diversification of its economic base. Several corporations have opened new offices and plants and various service and technology businesses have expanded operations. This, coupled with the moderate rebound of the mining and oil industry, holds the promise of continued economic growth for the State.

The State continues to face the challenges of one of the nation's largest per capita school age populations. The State also must deal with the demands of an increasing prison population, the need for highway construction and repair, maintenance of the State's environment, and our citizens' health and welfare. The demands are being met by a responsive Legislature, a commitment from the Executive branch and the cooperation of local government. Most importantly, the demands are met as a result of the cooperation of the citizens of the State.

Conclusion

We hope this report provides useful data in evaluating the financial activity of the State of Utah. We express our appreciation to the budget and accounting officers throughout State government and the State Auditor's Office for their dedicated efforts in assisting us in the preparation of this report.

Sincerely,

Gordon L. Crabtree

Gordon L. Crabtree, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 1987

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Jeffrey L. Esser

Executive Director

State of Utah

Financial Highlights

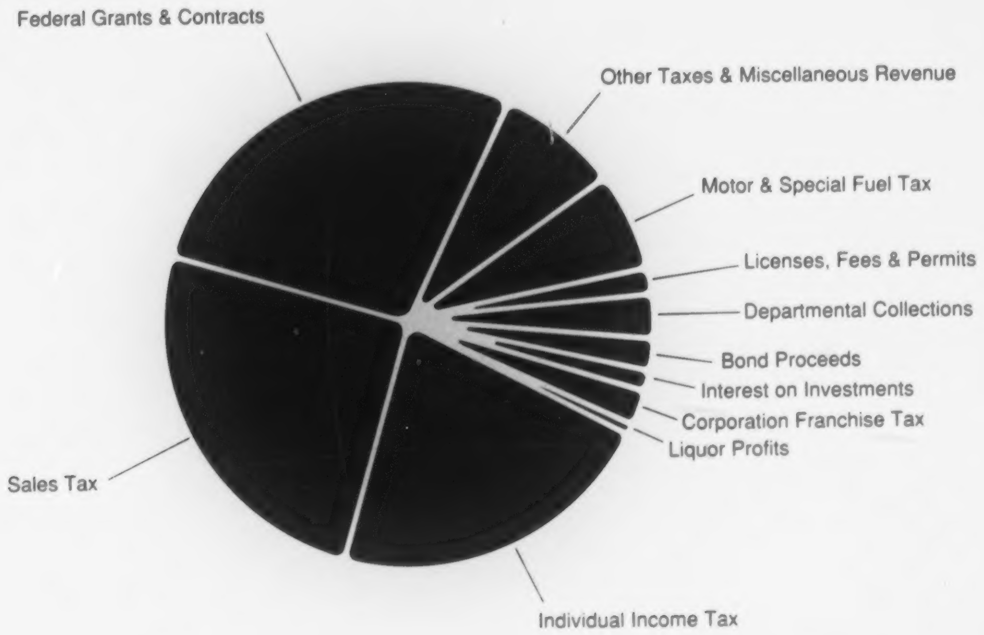
Status of State Funds

Fund Equity Analysis - The following summarizes the Fund Equity position of the three major funds of the State at June 30, 1988:

	General Fund	Uniform School Fund	Trans-portation Fund	Total
Fund Equity Reserved				
Funds Restricted by State Law:				
Budget Deficit Reserve Fund	$ 43,914,000	$ —	$ —	$ 43,914,000
Water Pollution Control	16,216,000	—	—	16,216,000
Safe Drinking Water	8,370,000	—	—	8,370,000
Water Security - Pollution	12,853,000	—	—	12,853,000
Water Security - Drinking	7,784,000	—	—	7,784,000
Employment Security	3,988,000	—	—	3,988,000
Oil Overcharge	18,071,000	—	—	18,071,000
Rural Rehabilitation	1,605,000	—	—	1,605,000
Resource Development	15,612,000	—	—	15,612,000
Wildlife Resources	3,170,000	—	—	3,170,000
Financial Institutions	4,984,000	—	—	4,984,000
Mineral Lease and Bonus	4,825,000	—	—	4,825,000
Tax Commission	1,739,000	—	—	1,739,000
Social Services	2,302,000	—	—	2,302,000
Health	1,112,000	—	—	1,112,000
Parks and Recreation	1,027,000	—	—	1,027,000
West Desert Pumping	854,000	—	—	854,000
Economic and Industrial Development	3,204,000	—	—	3,204,000
Flood Relief	3,679,000	—	—	3,679,000
Public Utilities	508,000	—	—	508,000
Custom Fit Training	—	1,340,000	—	1,340,000
Minimum School Program	—	5,718,000	—	5,718,000
Office of Education	—	3,210,000	—	3,210,000
Area Vocational Centers	—	2,134,000	—	2,134,000
School Building Loans	—	1,700,000	—	1,700,000
Aeronautics	—	—	1,517,000	1,517,000
DOT Sidewalk Construction	—	—	838,000	838,000
Advance to Internal Service Funds	8,764,000	—	—	8,764,000
Miscellaneous Others	9,364,000	307,000	31,000	9,702,000
Total Funds Reserved	173,945,000	14,409,000	2,386,000	190,740,000
Unreserved Fund Equity	9,982,000	—	13,549,000	23,531,000
Deficits in Line Items	(259,000)	—	—	(259,000)
Net Unreserved Fund Equity	9,723,000	0	13,549,000	23,272,000
Total Fund Equity	$ 183,668,000	$ 14,409,000	$ 15,935,000	$ 214,012,000

Financial Highlights

REVENUES AND OTHER SOURCES
Governmental Fund Types Only

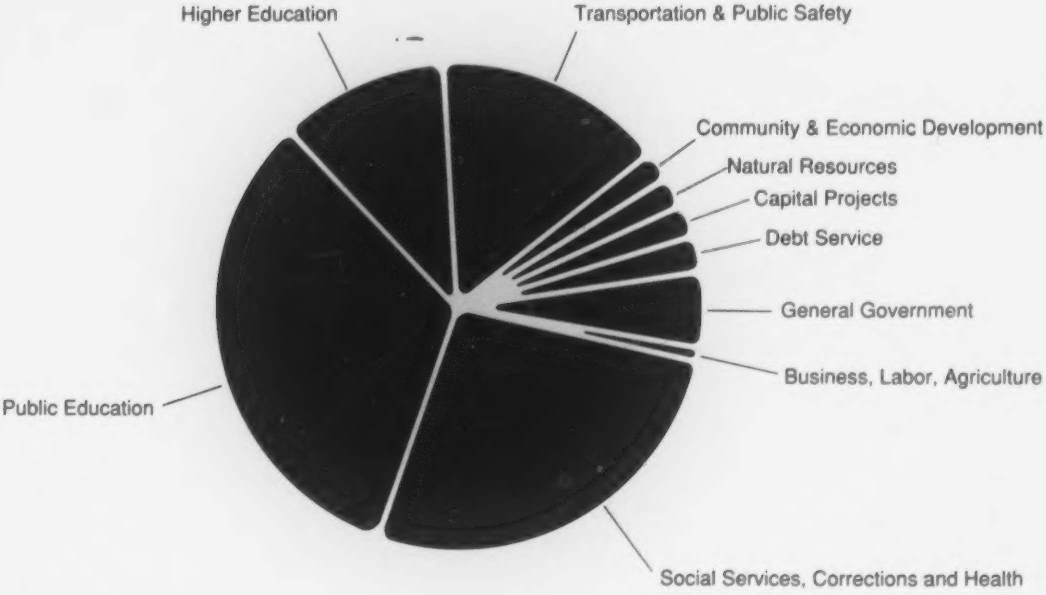


Revenues and Other Sources	Amount	Percent of Total
Sales Tax	$ 616,091,000	24.8%
Federal Contracts and Grants	670,255,000	26.9
Individual Income Tax	530,692,000	21.3
Other Taxes and Miscellaneous Revenue	187,089,000	7.5
Motor Fuel and Special Fuel Taxes	156,924,000	6.3
Departmental Collections	86,106,000	3.5
Corporation Franchise Tax	83,427,000	3.3
Interest on Investments	28,099,000	1.1
Licenses, Fees and Permits	52,608,000	2.1
Total Revenues	2,411,291,000	96.8
Other Sources(A):		
Liquor Profit Transfer In	15,918,000	0.6
Bond Proceeds	64,200,000	2.6
Total Revenue and Other Sources	$ 2,491,409,000	100.0%

(A) Note: Does not include various trust fund and internal service fund revenues which are reflected in the General Fund and Special Revenue Fund as transfers in.

Financial Highlights

EXPENDITURES BY FUNCTION
Governmental Fund Types Only

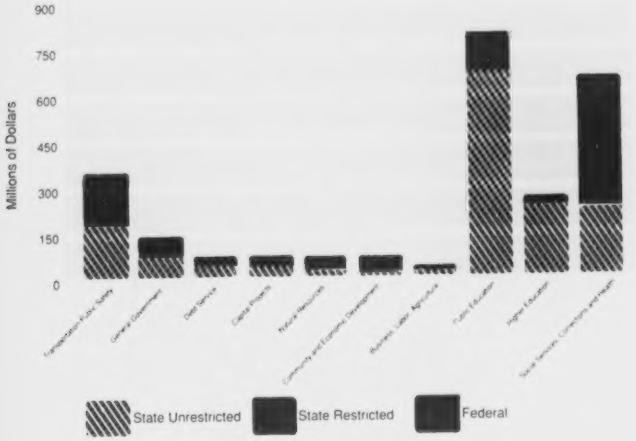


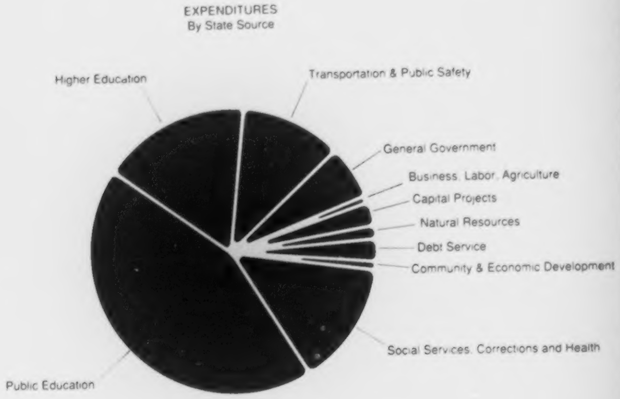
Expenditures by Function	**Amount**	**Percent of Total**
Education:		
Public Education	$ 787,773,000	32.3%
Higher Education	263,473,000	10.9
Social Services, Corrections and Health	626,609,000	25.7
Transportation and Public Safety	351,680,000	14.5
General Government	149,223,000	6.1
Debt Service	58,447,000	2.4
Capital Projects	62,463,000	2.6
Natural Resources	57,657,000	2.4
Community and Economic Development	52,648,000	2.2
Business, Labor, Agriculture	21,069,000	0.9
Total Expenditures(A)	$ 2,431,042,000	100.0%

(A) Note: Does not include transfers made to other funds except General Fund appropriated transfers to the colleges and universities which are included as Higher Education expenditures.

Financial Highlights

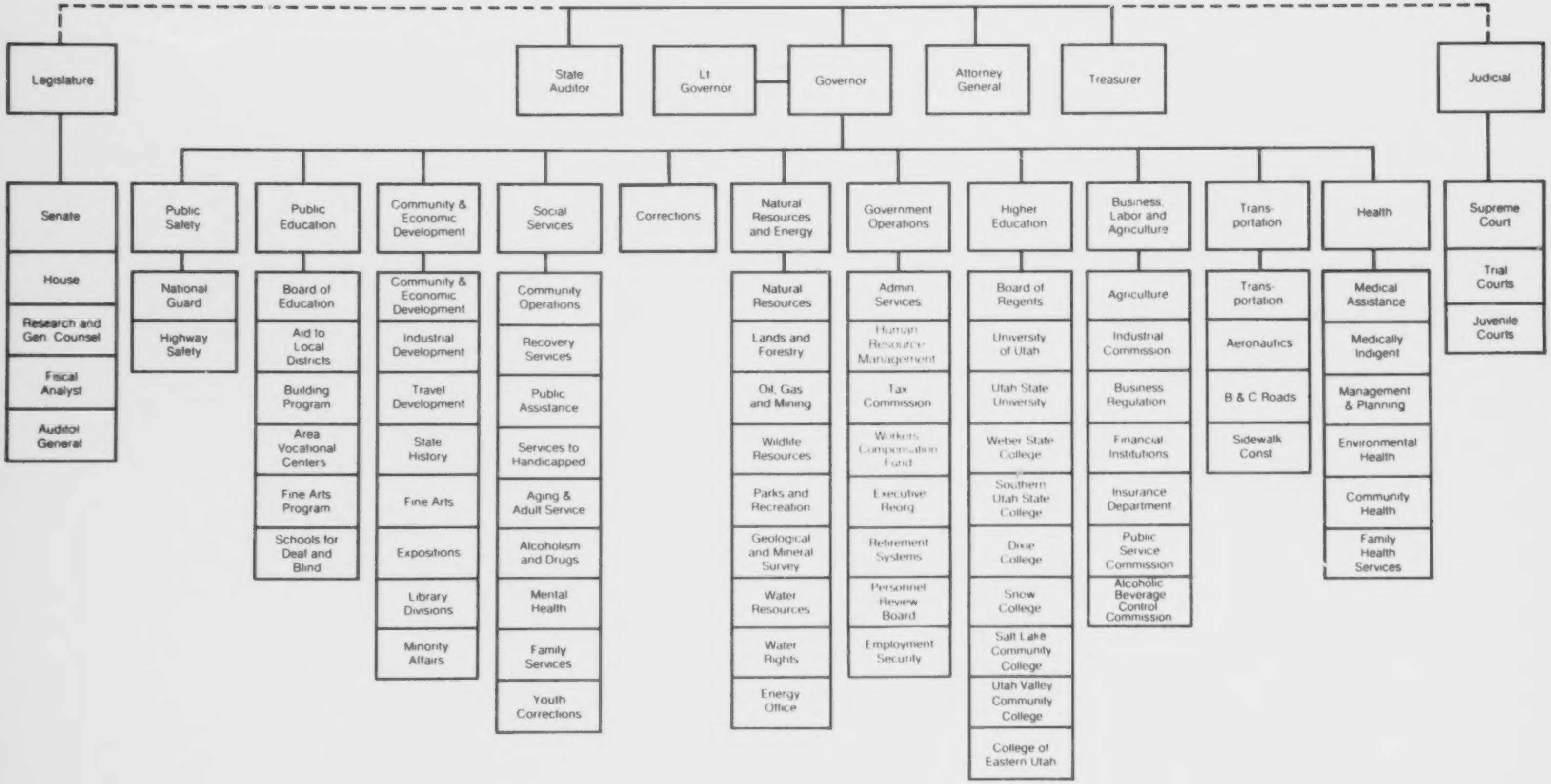
EXPENDITURES BY SOURCE
Governmental Fund Types Only





	Federal Sources	Percent of Total	Unrestricted State Tax Sources	Percent of Total	Restricted Fees and Other Sources	Percent of Total	Total Expenditures All Sources	Percent of Total
Education:								
Public Education	$ 90,154,000	13.4%	$ 669,115,000	42.6%	$ 28,504,000	15.2%	$ 787,773,000	32.3%
Higher Education	1,445,000	0.2	257,090,000	16.3	4,938,000	2.6	263,473,000	10.9
Social Services, Corrections and Health	363,685,000	54.3	227,061,000	14.4	35,863,000	19.1	626,609,000	25.7
Transportation/Public Safety	144,558,000	21.6	179,087,000	11.4	28,035,000	14.9	351,680,000	14.5
General Government	34,786,000	5.2	90,180,000	5.7	24,257,000	12.9	149,223,000	6.1
Debt Service	—	0.0	49,024,000	3.1	9,423,000	5.0	58,447,000	2.4
Capital Projects	—	0.0	46,952,000	3.0	15,511,000	8.2	62,463,000	2.6
Community and Economic Development	21,822,000	3.2	17,967,000	1.2	12,859,000	6.8	52,648,000	2.2
Natural Resources	12,083,000	1.8	21,894,000	1.4	23,680,000	12.6	57,657,000	2.4
Business, Labor, Agriculture	1,722,000	0.3	14,316,000	0.9	5,031,000	2.7	21,069,000	0.9
Total	$ 670,255,000	100.0%	$ 1,572,686,000	100.0%	$ 188,101,000	100.0%	$ 2,431,042,000	100.0%

State of Utah
Budgetary Organization Chart
As of June 30, 1988


Legislature
Senate
House
Research and Gen. Counsel
Fiscal Analyst
Auditor General
State Auditor
Lt Governor
Governor
Attorney General
Treasurer
Judicial
Supreme Court
Trial Courts
Juvenile Courts
Public Safety
National Guard
Highway Safety
Public Education
Board of Education
Aid to Local Districts
Building Program
Area Vocational Centers
Fine Arts Program
Schools for Deaf and Blind
Community & Economic Development
Community & Economic Development
Industrial Development
Travel Development
State History
Fine Arts
Expositions
Library Divisions
Minority Affairs
Social Services
Community Operations
Recovery Services
Public Assistance
Services to Handicapped
Aging & Adult Service
Alcoholism and Drugs
Mental Health
Family Services
Youth Corrections
Corrections
Natural Resources and Energy
Natural Resources
Lands and Forestry
Oil, Gas and Mining
Wildlife Resources
Parks and Recreation
Geological and Mineral Survey
Water Resources
Water Rights
Energy Office
Government Operations
Admin Services
Human Resource Management
Tax Commission
Workers Compensation Fund
Executive Reorg
Retirement Systems
Personnel Review Board
Employment Security
Higher Education
Board of Regents
University of Utah
Utah State University
Weber State College
Southern Utah State College
Dixie College
Snow College
Salt Lake Community College
Utah Valley Community College
College of Eastern Utah
Business, Labor and Agriculture
Agriculture
Industrial Commission
Business Regulation
Financial Institutions
Insurance Department
Public Service Commission
Alcoholic Beverage Control Commission
Trans-portation
Trans-portation
Aeronautics
B & C Roads
Sidewalk Const
Health
Medical Assistance
Medically Indigent
Management & Planning
Environmental Health
Community Health
Family Health Services

JAN. 4, 1896

Tom L. Allen, CPA
STATE AUDITOR

STATE OF UTAH
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ACCOUNTING AND AUDIT

INDEPENDENT STATE AUDITOR'S REPORT

To the Members of the Legislature
of the State of Utah and
The Honorable Norman H. Bangerter
Governor, State of Utah

We have audited the general purpose financial statements of the State of Utah as of and for the year ended June 30, 1988, as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Utah at June 30, 1988, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Utah. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

As discussed in Note C, the State of Utah changed its method of: (1) Revenue recognition for Income Tax withholding and Motor Fuel taxes in the Special Revenue Fund, (2) Accounting for gains and losses on bond exchanges in the Trust and Agency Funds' Pension Fund, and (3) Accounting for loan origination fees in the Enterprise Fund. Accounting for the Department of Transportation data processing, equipment management, and materials testing laboratories has been in the Special Revenue Fund in prior years but moved to the Internal Service Fund in the current year.

The statistical data, listed in the foregoing table of contents, were not audited by us and, accordingly, we do not express an opinion thereon.

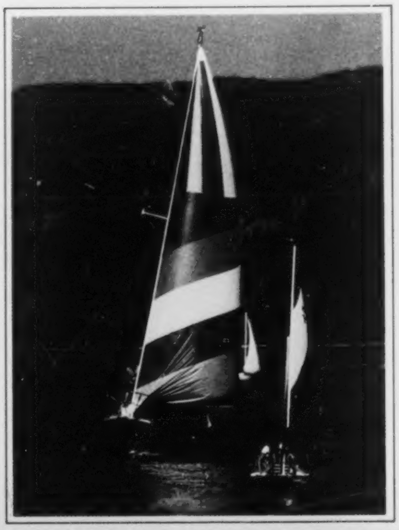
Tom L. Allen
Utah State Auditor

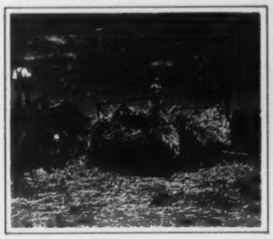
November 7, 1988
(except as noted in Note B)
Salt Lake City, Utah

Utah
A pretty, great state.

BRIDGERLAND

*Skiing on Beaver Mountain,
water skiing on blue Bear Lake,
and tasting Cache Valley's
famous cheese all draw visitors
back to tranquil Bridgerland,
where many would like
to call home.*





GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet - All Fund Types and Account Groups

June 30, 1988 **(Expressed in Thousands)**

	Governmental Fund Types				Proprietary Fund Types	
	General	**Special Revenue**	**Capital Projects**	**Debt Service**	**Enterprise**	**Internal Service**
Assets						
Cash and Cash Equivalents (Note D)	$ 178,797	$ 142,143	$ 69,343	$ 12,166	$ 294,616	$ 65,481
Other Investments (Note E)	2,241	—	760	4,488	261,183	5,328
Receivables:						
Accounts	46,793	61,685	—	124	16,313	6,250
Notes/Mortgages (Note A)	52,543	1,700	—	—	861,083	181,114
Accrued Interest	767	—	2	487	22,243	4,185
Unbilled (Note A)	—	11,727	—	—	—	—
Due From Other Funds (Note F)	20,825	1,761	3,709	106	838	7,188
Advance to Other Funds	8,764	—	—	—	—	—
Inventories (Note A)	—	10,995	—	—	12,093	1,260
Prepaid Expenses	—	—	—	—	159	147
Deferred Charges	—	—	—	—	16,521	—
Deferred Compensation Plan Assets	—	—	—	—	—	—
Land (Note A)	—	—	—	—	1,642	—
Building and Improvements	—	—	—	—	6,013	5,862
Machinery and Equipment	—	—	—	—	5,462	114,038
Accumulated Depreciation	—	—	—	—	(4,636)	(54,460)
Construction-In-Progress	—	—	—	—	—	139
Amount Available in Debt Service Fund	—	—	—	—	—	—
Resources to be Provided in Future Years For:						
Retirement of General Obligation Bonds	—	—	—	—	—	—
Other General Long-Term Obligations	—	—	—	—	—	—
Total Assets	$ 310,730	$ 230,011	$ 73,814	$ 17,371	$ 1,493,530	$ 336,532
Liabilities and Fund Equity						
Liabilities:						
Vouchers Payable	$ 50,389	$ 64,176	$ —	$ —	$ 6,153	$ 9,695
Contracts Payable	—	—	5,964	—	539	—
Accrued Liabilities	19,692	108,595	5	10,604	40,572	2,792
Obligations Under Reverse Repurchase Agreements	—	—	—	—	—	—
Deposits Held in Custody	—	—	—	—	16,298	—
Due to Other Funds (Note F)	29,610	14,469	821	—	7,899	12,032
Due to Other Individuals or Groups	—	—	—	—	—	—
Due to Other Taxing Units	—	—	—	—	—	—
Deferred Revenue (Note A)	27,371	12,427	—	—	2,708	5
Advance From Other Funds	—	—	—	—	—	8,764
Policy Claim Liabilities (Note A)	—	—	—	—	122,051	28,183
Notes Payable (Note H)	—	—	—	—	141,441	62
General Bonds Payable (Note H)	—	—	—	—	—	—
Revenue Bonds Payable (Note H)	—	—	—	—	994,020	—
Leave Obligations	—	—	—	—	—	—
Deferred Compensation Plan Liability	—	—	—	—	—	—
Total Liabilities	127,062	199,667	6,790	10,604	1,331,681	61,533
Fund Equity:						
Contributed Working Capital	—	—	—	—	11,506	242,573
Investment in Fixed Assets	—	—	—	—	—	—
Retained Earnings	—	—	—	—	150,343	32,426
Fund Balances:						
Reserved (Note L & R)	173,945	16,795	27,050	—	—	—
Unreserved:						
Designated for General Obligation Bonds	—	—	—	2,277	—	—
Designated for Revenue Bonds	—	—	—	4,490	—	—
Designated for Construction Projects	—	—	39,974	—	—	—
Designated for Colleges and Universities	—	—	—	—	—	—
Undesignated	9,723	13,549	—	—	—	—
Total Fund Equity	183,668	30,344	67,024	6,767	161,849	274,999
Total Liabilities and Fund Equity	$ 310,730	$ 230,011	$ 73,814	$ 17,371	$ 1,493,530	$ 336,532

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Types	Account Groups			Total (Memorandum Only)	Total (Memorandum Only)
Trust and Agency	General Fixed Assets	General Long-Term Obligations	College and University Funds	June 30, 1988	June 30, 1987
$ 887,062	$ —	$ —	$ 135,122	$ 1,784,730	$ 1,664,953
2,758,794	—	—	149,648	3,182,442	2,606,393
52,643	—	—	107,391	291,199	238,536
—	—	—	34,009	1,130,449	1,021,709
18,598	—	—	3,195	49,477	33,101
—	—	—	—	11,727	6,330
37,131	—	—	8,414	79,972	83,992
—	—	—	—	8,764	6,489
—	—	—	13,303	37,651	36,892
—	—	—	9,610	9,916	10,405
—	—	—	—	16,521	15,562
—	—	—	4,289	4,289	4,895
4,339	77,928	—	19,871	103,780	96,910
—	326,895	—	635,437	974,207	936,537
6,658	89,301	—	349,985	565,444	507,934
(2,302)	—	—	—	(61,398)	(27,160)
—	66,204	—	42,275	108,618	78,380
—	—	6,767	—	6,767	4,661
—	—	288,728	—	288,728	252,807
—	—	58,153	—	58,153	66,179
$ 3,762,923	$ 560,328	$ 353,648	$ 1,512,549	$ 8,651,436	$ 7,645,505
$ 21,523	$ —	$ —	$ 44,981	$ 196,917	$ 169,079
—	—	3,274	3,175	12,952	17,786
—	—	—	32,744	215,004	114,416
19,388	—	—	—	19,388	19,619
149	—	—	2,528	18,975	17,863
3,311	—	—	11,830	79,972	83,992
89,847	—	—	—	89,847	85,328
531,210	—	—	—	531,210	403,470
197	—	—	11,552	54,260	43,999
—	—	—	—	8,764	6,489
76,492	—	—	—	226,726	213,727
—	—	—	4,773	146,276	152,214
—	—	291,005	—	291,005	255,155
—	—	21,285	69,927	1,085,232	995,205
—	—	38,084	—	38,084	36,248
—	—	—	4,289	4,289	4,895
742,117	0	353,648	185,799	3,018,901	2,619,485
—	—	—	—	254,079	216,342
—	560,328	—	972,441	1,532,769	1,478,080
—	—	—	—	182,769	165,318
3,091,509	—	—	231,126	3,540,425	3,048,621
—	—	—	—	2,277	171
—	—	—	—	4,490	4,490
—	—	—	—	39,974	25,588
—	—	—	123,183	123,183	119,517
(70,703)	—	—	—	(47,431)	(32,107)
3,020,806	560,328	0	1,326,750	5,632,535	5,026,020
$ 3,762,923	$ 560,328	$ 353,648	$ 1,512,549	$ 8,651,436	$ 7,645,505

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

	Governmental Fund Types			
	General	**Special Revenue**	**Capital Projects**	**Debt Service**
Revenues:				
Unrestricted:				
Sales Tax	$ 616,091	$ —	$ —	$ —
Individual Income Tax	—	530,692	—	—
Corporate Franchise Tax	—	83,427	—	—
Motor and Special Fuel Tax	—	156,924	—	—
Licenses, Fees and Permits	17,097	35,511	—	—
Interest on Investments	10,685	2,075	—	—
Miscellaneous Taxes and Other	97,759	9,200	—	—
Total Unrestricted	741,632	817,829	0	0
Restricted:				
Federal Contracts and Grants	442,474	227,781	—	—
Departmental Collections	76,202	9,904	—	—
Public Education Dedicated Credits	—	75	—	—
Aeronautics	—	17,979	—	—
Federal Mineral Lease	28,836	—	—	—
Intergovernmental Revenues	—	—	14,671	—
Interest on Investments	10,703	—	540	4,096
Premiums/Other Collections	—	—	—	—
Miscellaneous	6,328	11,648	300	293
Total Restricted	564,543	267,387	15,511	4,389
Total Revenues	1,306,175	1,085,216	15,511	4,389
Expenditures:				
Current:				
General Government	149,223	—	—	—
Social Services	301,426	—	—	—
Corrections	52,565	—	—	—
Health	272,618	—	—	—
Higher Education	4,143	—	—	—
Natural Resources	57,657	—	—	—
Business, Labor and Agriculture	21,069	—	—	—
Community and Economic Development	52,648	—	—	—
Unemployment Claims	—	—	—	—
Public Education	—	787,773	—	—
Transportation and Public Safety	41,678	310,002	—	—
Capital Outlay	—	—	62,463	—
Debt Service:				
Principal Retirement	—	—	—	33,165
Interest and Other Charges	5,034	—	—	20,248
Total Expenditures	958,061	1,097,775	62,463	53,413
Excess Revenues Over (Under) Expenditures	348,114	(12,559)	(46,952)	(49,024)
Other Financing Sources (Uses):				
Proceeds of Revenue Bonds/Contracts	—	—	—	—
Proceeds of General Obligation Bonds	5,725	—	58,475	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Operating Transfers In (Note N)	75,218	76,681	14,099	51,130
Operating Transfers Out (Note N)	(402,937)	(48,340)	(149)	—
Total Other Financing Sources (Uses)	(321,994)	28,341	72,425	51,130
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	26,120	15,782	25,473	2,106
Beginning Fund Balances	162,460	18,517	41,551	4,661
Residual Equity Transfers (Note N)	(4,912)	(3,955)	—	—
Ending Fund Balances	$ 183,668	$ 30,344	$ 67,024	$ 6,767

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Type	Total (Memorandum Only)	Total (Memorandum Only)
Expendable Trust	June 30, 1988	June 30, 1987
$ —	$ 616,091	$ 559,116
—	530,692	533,190
—	83,427	69,409
—	156,924	120,612
—	52,608	51,215
—	12,760	11,777
—	106,959	94,991
0	1,559,461	1,440,310
3,024	673,279	699,931
—	86,106	76,340
—	75	9
—	17,979	11,093
—	28,836	22,384
—	14,671	18,406
14,696	30,035	36,226
92,258	92,258	93,517
9,624	28,193	32,061
119,602	971,432	989,967
119,602	2,530,893	2,430,277
3,338	152,561	142,100
14,735	316,161	328,560
—	52,565	48,730
—	272,618	251,413
—	4,143	4,593
—	57,657	54,855
—	21,069	22,470
2,018	54,666	61,661
83,540	83,540	118,416
605	788,378	744,044
—	351,680	343,809
—	62,463	125,138
—	33,165	64,931
—	25,282	26,073
104,236	2,275,948	2,336,793
15,366	254,945	93,484
—	0	1,241
—	64,200	91,231
—	0	(25,944)
—	217,128	204,532
(2,348)	(453,774)	(425,488)
(2,348)	(172,446)	(154,428)
13,018	82,499	(60,944)
98,465	325,654	346,049
—	(8,867)	40,549
$ 111,483	$ 399,286	$ 325,654

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis): General Fund, Special Revenue Funds and Debt Service Fund

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Unrestricted:			
Sales Tax	$ 622,500	$ 616,228	$ (6,272)
Individual Income Tax	—	—	0
Corporate Franchise Tax	—	—	0
Motor and Special Fuel Tax	—	—	0
Licenses, Fees and Permits	12,520	17,106	4,586
Interest on Investments	6,530	10,685	4,155
Miscellaneous Taxes and Other	96,650	97,764	1,114
Total Unrestricted Revenues	738,200	741,783	3,583
Restricted:			
Federal Grants and Contracts	444,048	444,048	0
Departmental Collections	82,520	81,597	(923)
Higher Education/Public Education Dedicated Credits	69,514	69,514	0
Aeronautics	—	—	0
Federal Mineral Lease	20,500	28,836	8,336
Interest on Investments	10,078	10,740	662
Miscellaneous	48,572	48,724	152
Total Restricted Revenues	675,232	683,459	8,227
Total Revenues	1,413,432	1,425,242	11,810
Intrafund Eliminations		(119,067)	
Total Revenues GAAP Basis		1,306,175	
Expenditures:			
Current:			
General Government	156,688	151,284	5,404
Social Services	340,098	334,940	5,158
Corrections	54,432	52,627	1,805
Health	282,266	280,409	1,857
Higher Education	337,073	336,686	387
Natural Resources	65,159	58,422	6,737
Business, Labor and Agriculture	23,912	21,323	2,589
Community and Economic Development	60,656	53,034	7,622
Public Education	—	—	0
Transportation and Public Safety	43,605	42,699	906
Debt Service:			
Principal Retirement	—	—	0
Interest Charges	5,034	5,034	0
Total Expenditures	1,368,923	1,336,458	32,465
Higher Education Appropriated Expenditures included as Transfers	259,330	(259,330)	
Intrafund Eliminations		(119,067)	
Total Expenditures GAAP Basis		958,061	
Excess of Revenues Over (Under) Expenditures	303,839	348,114	44,275
Other Financing Sources (Uses):			
Proceeds of General Obligation Bonds	5,725	5,725	0
Operating Transfers In (Note N)	75,218	75,218	0
Operating Transfers Out (Note N)	(402,937)	(402,937)	0
Total Other Financing Sources (Uses)	(321,994)	(321,994)	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(18,155)	26,120	44,275
Beginning Fund Balances	162,460	162,460	0
Residual Equity Transfers (Note N)	(4,912)	(4,912)	0
Ending Fund Balances	$ 139,393	$ 183,668	$ 44,275

The accompanying notes are an integral part of the financial statements.

Special Revenue Funds			Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ —	$ —	$ 0	$ —	$ —	$ 0
517,489	530,692	13,203	—	—	0
76,311	83,427	7,116	—	—	0
156,000	156,924	924	—	—	0
36,500	35,511	(989)	—	—	0
1,700	2,075	375	—	—	0
7,599	9,847	2,248	—	—	0
795,599	818,476	22,877	0	0	0
227,781	227,781	0	—	—	0
11,806	11,644	(162)	—	—	0
75	75	0	—	—	0
18,576	17,979	(597)	—	—	0
—	—	0	—	—	0
—	—	0	2,887	4,096	1,209
13,121	13,142	21	250	293	43
271,359	270,621	(738)	3,137	4,389	1,252
1,066,958	1,089,097	22,139	3,137	4,389	1,252
	(3,881)			—	
	1,085,216			4,389	
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
804,393	791,654	12,739	—	—	0
332,996	310,002	22,994	—	—	0
—	—	0	33,165	33,165	0
—	—	0	20,229	20,248	(19)
1,137,389	1,101,656	35,733	53,394	53,413	(19)
	(3,881)			—	
	1,097,775			53,413	
(70,431)	(12,559)	57,872	(50,257)	(49,024)	1,233
—	—	0	—	—	0
76,681	76,681	0	51,130	51,130	0
(48,340)	(48,340)	0	—	—	0
28,341	28,341	0	51,130	51,130	0
(42,090)	15,782	57,872	873	2,106	1,233
18,517	18,517	0	4,661	4,661	0
(3,955)	(3,955)	0	—	—	0
$ (27,528)	$ 30,344	$ 57,872	$ 5,534	$ 6,767	$ 1,233

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Similar Trust Funds

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types	
	Enterprise	Internal Service	Non-Expendable Trust	Pension Trust
Operating Revenues:				
Investment Income	$ 27,959	$ 6,557	$ —	$ 343,951
Liquor:				
Sales (Net of $12,214 Sales and School Lunch Tax)	64,915	—	—	—
Licenses, Permits and Fees	356	—	—	—
Charges for Services/Premiums	66,479	130,263	—	—
Interest on Mortgages/Notes	70,202	—	—	—
Member Contributions	—	—	—	181,531
Miscellaneous	4,300	—	6,775	2,889
Total Operating Revenues	234,211	136,820	6,775	528,371
Cost of Goods Sold	43,619	—	—	—
Gross Profit	190,592	136,820	6,775	528,371
Operating Expenses:				
Administrative	21,280	34,476	—	1,907
Rentals and Leases	773	2,864	—	—
Maintenance	267	7,138	—	—
Interest	87,777	9	—	—
Depreciation	916	12,379	—	579
Benefit Claims	46,160	59,858	—	99,637
Contribution Refunds	—	—	—	24,478
Supplies and Other Miscellaneous	1,663	19,596	—	1,949
Total Operating Expenses	158,836	136,320	0	128,550
Total Operating Income	31,756	500	6,775	399,821
Non-Operating Income (Expenses):				
Interest on Investments	11,057	—	—	—
Gain on Investments	648	—	—	—
(Loss) on Loan Remarketing	—	(11,478)	—	—
Gain (Loss) on Sale of Fixed Assets	(16)	41	—	—
Total Non-Operating Income (Expenses)	11,689	(11,437)	0	0
Income (Loss) Before Operating Transfers	43,445	(10,937)	6,775	399,821
Operating Transfers In (Note N)	1,393	1,005	—	—
Operating Transfers Out (Note N)	(15,963)	(1,558)	—	(7,561)
Net Income (Loss)	28,875	(11,490)	6,775	392,260
Beginning Retained Earnings/Fund Balances	121,468	43,850	22,882	2,522,619
Adjustment to Beginning Retained Earnings (Note C)	—	—	—	(35,213)
Beginning Retained Earnings/Fund Balances as Adjusted	121,468	43,850	22,882	2,487,406
Residual Equity Transfers (Note N)	—	66	—	—
Ending Retained Earnings/Fund Balances	$ 150,343	$ 32,426	$ 29,657	$ 2,879,666

The accompanying notes are an integral part of the financial statements.

Combined Statement of Changes in Financial Position - All Proprietary Fund Types and Similar Trust Funds

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Proprietary Fund Types		Fiduciary Fund Types	
	Enterprise	Internal Service	Non-Expendable Trust	Pension Trust
Sources of Working Capital:				
Operations:				
Net Income	$ 28,875	$ (11,490)	$ 6,775	$ 392,260
Items Not Requiring Working Capital:				
Depreciation	916	12,379	—	579
Amortization of Deferred Charges/Revenue	1,171	—	—	—
Loss (Gain) on Disposition of Property and Equipment	16	(41)	—	—
Loss on Loan Remarketing	—	11,478	—	—
Total Sources from Operations	30,978	12,326	6,775	392,839
Increase in Deferred Revenue Due after One Year	748	—	—	—
Increase in Advance From Other Funds	—	2,275	—	—
Increase in Notes Payable	11,000	—	—	—
Additions to Long-Term Debt	190,611	—	—	—
Increase in Contributed Working Capital (net of $26,856 accumulated depreciation transferred in from General Fixed Assets Account Group)	833	37,495	—	—
Decrease in Other Investments	—	96	2,295	608,279
Decrease in Mortgages/Notes Receivable	69,146	1,045	—	—
Proceeds on Disposal of Property and Equipment	62	1,971	5	—
Decrease in Deferred Charges	14	—	—	—
Total Sources of Working Capital	303,392	55,208	9,075	1,001,118
Uses of Working Capital:				
Change in Accounting Method	—	—	—	35,213
Increase in Other Investments	80,053	—	—	1,042,693
Increase in Mortgages/Notes Receivable	194,981	209	—	—
Acquisition of Property and Equipment (net of $26,856 accumulated depreciation transferred in from General Fixed Assets Account Group)	1,825	52,813	—	199
Decrease in Deposits in Custody	1,225	—	—	—
Decrease in Policy Claim Liabilities	2,733	574	—	—
Decrease in Notes Payable	9,194	—	—	—
Payments on Long-Term Debt	78,232	2,818	—	—
Decrease in Contributed Working Capital	536	—	—	—
Total Uses of Working Capital	368,779	56,414	0	1,078,105
Net Increase (Decrease) in Working Capital	$ (65,387)	$ (1,206)	$ 9,075	$ (76,987)
Elements of Net Increase (Decrease) in Working Capital:				
Cash and Cash Equivalents	$ (78,101)	$ 15,719	$ 9,152	$ (109,657)
Accounts Receivable/Due From Other Funds	2,741	91	(31)	5,731
Notes Receivable Current Portion	(5,323)	(1,701)	—	—
Accrued Interest	6,354	(1,527)	—	—
Inventories	404	102	—	—
Prepaid Expenses	(14)	(20)	—	—
Vouchers Pay./Acc. Liab./Due to Other Funds	(5,389)	(6,241)	(46)	26,939
Deposits and Claims Current Portion	(2,489)	(7,741)	—	—
Deferred Revenue	572	92	—	—
Current Portion of Long-Term Obligations	15,858	20	—	—
Net Increase (Decrease) in Working Capital	$ (65,387)	$ (1,206)	$ 9,075	$ (76,987)

The accompanying notes are an integral part of the financial statements.

Combined Statement of Changes in Fund Balances - College and University Fund Types

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Current Funds				Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant
Revenues and Other Additions:								
Educational and General Revenues	$ 165,533	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Auxiliary Enterprises Revenues	74,179	—	—	—	—	—	—	—
Sales and Services of Hospital	137,358	—	—	—	—	—	—	—
Tuition and Fees - Restricted	—	7,411	—	—	2,342	2,693	862	—
Private Gifts, Grants and Contracts	—	22,136	59	4,510	7,095	258	38	1,316
Governmental Grants and Contracts	—	163,765	1,029	—	40,080	—	—	—
Federal Appropriations	—	3,492	—	—	335	—	—	—
Investments and Endowment Income	—	6,131	75	995	3,234	671	721	—
Interest on Loans Receivable	—	—	862	—	—	—	—	—
Expended for Plant Facilities (including $36,092 from current funds)	—	—	—	—	—	—	—	78,562
Retirement of Indebtedness	—	—	—	—	8,921	—	—	27,637
Other	—	5,010	328	—	699	88	55	1,599
Total Revenues	377,070	207,945	2,353	5,505	62,706	3,710	1,676	109,114
Expenditures and Other Deductions:								
Educational and General Expenditures	362,319	213,905	10	—	—	—	—	—
Auxiliary Enterprises Expenditures	69,408	614	—	—	—	—	—	—
Hospital Expenditures	130,286	—	—	—	—	—	—	—
Indirect Costs Recovered	—	22,839	28	—	—	—	—	—
Refunded to Grantors	—	2	20	—	—	—	—	—
Loan Cancellations and Write-Offs	—	—	734	—	—	—	—	—
Administrative and Collection Costs	—	—	231	—	—	—	—	—
Expended for Plant Facilities (including noncapitalized expenditures of $4,293)	—	—	—	—	38,363	8,400	—	—
Retirement of Indebtedness	—	—	—	—	—	—	36,558	—
Interest on Indebtedness	—	—	—	—	46	—	5,864	—
Disposal of Plant Facilities	—	—	—	—	—	—	—	14,942
Other	89	22	442	22	101	17	246	291
Total Expenditures and Other Deductions	562,102	237,382	1,465	22	38,510	8,417	42,668	15,233
Transfers Among Funds-Additions (Deductions):								
Mandatory Transfers, net	(6,134)	1,030	24	48	(3,022)	(2,988)	11,194	(152)
Nonmandatory Transfers, net	(14,510)	(2,673)	(7)	1,721	11,579	6,994	26,199	(29,303)
Operating Transfers From General Fund	223,661	35,642	27	—	—	—	—	—
Total Transfers	203,017	33,999	44	1,769	8,557	4,006	37,393	(29,455)
Net Increase (Decrease) in Fund Balances Before Extraordinary Item	17,985	4,562	932	7,252	32,753	(701)	(3,599)	64,426
Extraordinary Item - Loss on Early Extinguishment of Debt (Note O)	—	—	—	—	—	—	—	(1,518)
Net Increase (Decrease) in Fund Balances	17,985	4,562	932	7,252	32,753	(701)	(3,599)	62,908
Beginning Fund Balances	83,340	51,221	36,146	59,680	39,156	11,184	14,398	909,533
Ending Fund Balances	$ 101,325	$ 55,783	$ 37,078	$ 66,932	$ 71,909	$ 10,483	$ 10,799	$ 972,441

The accompanying notes are an integral part of the financial statements.

Combined Statement of Current Funds Revenues, Expenditures and Other Changes - Colleges and Universities

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Total Unrestricted	Total Restricted	Total Current Funds
Revenues:			
Educational and General:			
Tuition and Fees	$ 76,270	$ 7,699	$ 83,969
Federal Appropriations	50	3,389	3,439
Governmental Grants and Contracts	20,807	135,002	155,809
Private Gifts, Grants and Contracts	882	21,490	22,372
Investment and Endowment Income	9,900	5,867	15,767
Sales and Services of Educational Departments	54,040	2,082	56,122
Other	3,584	3,540	7,124
Total Educational and General	165,533	179,069	344,602
Sales and Services of Hospital	137,358	—	137,358
Auxiliary Enterprises Revenues	74,179	—	74,179
Total Revenues	377,070	179,069	556,139
Expenditures and Mandatory Transfers:			
Educational and General:			
Instruction	164,617	37,761	202,378
Research	9,636	95,920	105,556
Public Service	33,980	33,031	67,011
Academic Support	42,197	6,404	48,601
Student Services	18,629	4,808	23,437
Institution Support	43,732	3,114	46,846
Operation and Maintenance of Plant	42,272	3,841	46,113
Student Aid	7,256	29,026	36,282
Total Educational and General Expenditures	362,319	213,905	576,224
Hospital Expenditures	130,286	—	130,286
Auxiliary Enterprises Expenditures	69,408	614	70,022
Other	89	22	111
Mandatory Transfers, net Out(In)	6,134	(1,030)	5,104
Total Expenditures and Mandatory Transfers	568,236	213,511	781,747
Other Transfers and Additions(Deductions):			
Excess of Restricted Receipts Over (Under) Transfers to Revenues	—	5,877	5,877
Refunded to Grantors	—	(2)	(2)
Nonmandatory Transfers, net	(14,510)	(2,673)	(17,183)
Operating Transfers From General Fund	223,661	35,642	259,303
Other	—	160	160
Total Other Transfers & Additions(Deductions)	209,151	39,004	248,155
Net Increase in Fund Balances	$ 17,985	$ 4,562	$ 22,547

The accompanying notes are an integral part of the financial statements.

Notes to the Combined Financial Statements

Year Ended June 30, 1988

FINANCIAL STATEMENTS AND DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

1. Financial Statements

The accompanying financial statements of the State of Utah present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the changes in financial position of the proprietary and similar trust funds. The financial statements are presented as of June 30, 1988, and for the year then ended. The financial statements include the various departments, agencies and other organizational units governed by the Utah State Legislature and/or Constitutional Officers of the State of Utah.

A total column (memorandum only) has been added to certain statements. The total column includes interfund activity and is not comparable to a consolidated financial statement, but is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

The financial activities are recorded in individual funds classified by type and described below, each of which is deemed to be a separate accounting entity. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, equities, revenues and expenditures.

2. Governmental Fund Types

General Fund:

The General Fund is the principal operating fund of the State. It is used to account for all financial resources which are not accounted for in other funds. The services accounted for in the General Fund include, among others, general government, public safety, judicial, public health and welfare, licensing and regulation, and education. Resources obtained from federal grants and used for services provided by General Fund entities, consistent with applicable legal requirements, are recorded in the General Fund.

Special Revenue Funds (Uniform School Fund and Transportation Fund):

The Special Revenue Funds are used to account for specific revenue sources that are legally restricted for expenditures for specified purposes. Special Revenue Funds include transactions related to the Office of Public Education and the Transportation Department.

Capital Projects Fund:

The Capital Projects Fund accounts for resources obtained and used for the acquisition, construction or improvement of certain capital facilities (except those financed by proprietary funds). Such resources are derived principally from proceeds of general obligation bond issues, revenue bonds, federal grants and operating transfers from the State's General Fund.

The State enters into long-term contracts for the construction of major capital projects and records the commitments as encumbrances to the extent funds are available. (See Note R.)

Debt Service Fund:

The Debt Service Fund accounts for resources obtained and used for the payment of interest and principal on general long-term debt obligations and on revenue bonds which are funded from governmental fund operations.

3. Proprietary Fund Types

Enterprise Funds:

The individual enterprise funds account for operations similar to a private business enterprise. The intent of the State is that the cost of providing the goods or services to the general public on a continuing basis be financed primarily through user charges.

Internal Service Funds:

A variety of independent operations comprise the Internal Service Funds, of which the Water Resources and Community Impact Loan Funds are the largest. The Water Resources Loan Fund provides loans to local governments, water districts and other entities for the purpose of upgrading water storage facilities and related structures. The Community Impact Loan Fund provides loans to local governments to alleviate social, economic, and public financial impacts resulting from the development of the State's natural resources. (Grants authorized by the Community Impact Loan Board amounting to $8,541,000 were transferred to and expended in the General Fund.) The other internal service operations provide goods and/or services to other State departments and political sub-divisions on a cost reimbursement basis. The Risk Management Fund provides a broad range of property and liability insurance coverage to all State agencies and to several voluntarily participating school districts.

4. Fiduciary Fund Types

Fiduciary Funds account for assets held by the State in a trustee capacity or as an agent for other individuals, other governmental units, or other funds. Fiduciary funds are comprised of:

a. Pension Trust Funds which account for the transactions, assets, liabilities and fund equity of the State Retirement Systems.

b. The Non-Expendable Trust Fund which accounts for the transactions, assets, liabilities and fund equity of the State Land Board. The Land Board Fund was created from federal *Enabling Act* land grants and the sale of such lands. The earnings of the fund are primarily used to support education in the State.

c. Expendable Trust Funds which account for assets received and expended by the State as trustee and include the following funds:

Unemployment Compensation, Employers' Reinsurance, Indian Affairs, and miscellaneous small deposits held in a trustee capacity that are consolidated into the Restricted Trust Fund.

Notes to the Combined Financial Statements

d. Agency Funds which account for assets held by the State as an agent for other governmental units, other organizations, or individuals.

5. Account Groups

General Fixed Assets Account Group:

The General Fixed Assets Account Group is used to account for land, buildings, and equipment of the governmental fund types. Fixed assets of the trust funds, proprietary fund types, and colleges and universities are accounted for separately in their respective funds.

General Long-Term Obligation Account Group:

The General Long-Term Obligation Account Group accounts for the State's unmatured long-term obligations related to general government bonds, revenue bonds, capital lease obligations, and leave obligations except long-term obligations accounted for in the proprietary funds, the trust funds, and the college and university funds.

6. College and University Funds

The College and University Funds include:

a. Current Funds which account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only in accordance with externally restricted purposes.

b. Loan, Endowment, and Agency Funds which account for assets in which the institutions act in a fiduciary capacity.

c. Plant Funds which account for institutional property acquisition, renewal, replacement and debt service.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. All Funds

Grants:

Federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs. All federal reimbursement type grants in governmental funds are recorded as revenues when the related expenditures are incurred.

Federal grants include non-monetary transactions for food stamps and food and other commodities. Food stamps are valued at coupon value and any unexpended balances at fiscal year end are reported in the General Fund as "Cash and Cash Equivalents" and deferred revenue. Commodities revenue and expenditures are valued at their federally reported value. Commodity inventories at year end are immaterial.

Retirement and Employee Benefit Costs:

Full time State employees participate in the State Retirement System. Contributions collected for the State Retirement System, as well as the retirement benefits paid are accounted for in the Pension Trust Funds. All costs for pension, health and federal social security benefits in governmental fund types are reported as personnel service expenditures in the appropriate fund. Benefit costs applicable to proprietary fund types are reflected as expenses in the proprietary funds.

Interfund Transactions:

The State basically has three types of interfund transactions, as follows:

a. Services rendered and employee benefit contributions. These transactions are accounted for as revenues, expenditures or expenses in the funds involved.

b. Operating appropriations/subsidies. These are accounted for as operating transfers in the funds involved.

c. Equity and working capital contributions. These are accounted for as residual equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital).

The composition of the State's interfund receivables and payables at June 30, 1988 is presented in Note F.

Intrafund Transactions:

Intrafund transfers, as a result of contracts between departments and/or agencies, are considered expenditures by the contractor and revenues by the contractee for budgetary purposes. However, in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances, all intrafund revenues and expenditures have been eliminated. The amount of the eliminations by fund is reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

2. Governmental Fund Types, Expendable Trust Funds and Agency Funds

Basis of Accounting:

All governmental funds, expendable trust funds and agency funds are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and related current assets are recognized when measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Principal revenue sources susceptible to accrual under the modified accrual basis of accounting include federal revenues, departmental collections, and interest on investments. Expenditures are recorded when the fund liabilities are incurred. Modifications to the accrual basis of accounting include:

- Sales taxes, income taxes, and other self-assessed taxes are recognized as revenues in the period in which they are received except for individual income taxes and motor fuel taxes due and payable to the State at fiscal year end and collected shortly thereafter have been accrued as revenue and receivables. For tax returns filed by June 30, 1988, a liability has been recorded for tax refunds due.

Notes to the Combined Financial Statements

- Inventories of materials and supplies in the General Fund and Special Revenue - Uniform School Fund, excluding area vocational centers, are recorded as expenditures when received. In the Special Revenue - Transportation Fund and area vocational centers, these inventories are recorded as expenditures when consumed.
- Prepaid expenses are not recorded.
- Employees' vested annual leave, sick leave and compensatory leave are recorded as expenditures when utilized. The amount of accumulated annual leave and compensatory leave unpaid at June 30, 1988 has been reported in the General Long-Term Obligation Account Group. (See Note S.)
- Interest on long-term obligations reflected in the General Long-Term Obligation Account Group is recognized in the Debt Service Fund when it becomes payable.

Accounts Receivable:

Accounts Receivable are mainly due from the federal government and collectibility is reasonably assured. Therefore, no allowance for uncollectible accounts has been established.

Accounts Receivable for the Unemployment Compensation Expendable Trust Fund consists largely of delinquent employer contributions and benefit overpayments. These receivables are shown net of an allowance for doubtful accounts of approximately $13,056,000.

Receivables Unbilled:

The receivables unbilled represent an amount equal to costs incurred by the Department of Transportation on highway construction projects which are eligible for reimbursement from the federal government upon modification and approval of the related project contracts. When federal funds are available for recovery of the costs, the receivables will be billed.

Notes Receivable:

The notes receivable are primarily long-term loans to local governments and agricultural development loans to individuals. The interest rates on the loans vary but are generally lower than market rates and, in some cases, are non-interest bearing. No provisions for loan losses have been provided.

Investments:

Investments are stated at cost. (See Notes D & E.)

Inventory:

Inventory for the Special Revenue-Transportation Fund is valued at average cost.

Capital Outlays:

Principally all capital expenditures for the acquisition or construction of State fixed assets are reported as capital outlays in the Capital Projects Fund. Interest expense during construction of capital facilities is considered immaterial and is, therefore, not capitalized.

Deferred Revenue:

General Fund deferred revenue is principally federal funds received in advance of the authorized expenditure.

Special Revenue Funds deferred revenues include amounts expended by the Transportation Fund on federally participating construction projects which are eligible for reimbursement but the funds are not available until a modified contract is submitted and approved. These amounts will be billed to the federal government and recorded as revenue in future periods as funds become available.

Accrued Liabilities:

In the July 1988 Second Special Session the Legislature reduced individual income tax rates by 5 percent and restored the deduction for one third of the federal income tax. Both actions were retroactive to January 1, 1988. Inasmuch as withholding tax tables in effect from January 1, 1988 to June 30, 1988 used the higher tax rate, $27,800,000 was overwithheld. Revenues were reduced and accrued liabilities were increased for the overwithholding in the Special Revenue Fund - Uniform School Fund.

The Legislature in the July 1988 Second Special Session also authorized a 12.5 percent refund of individual income taxes paid for calendar year 1987. The refund was authorized to be taken from revenues of the fiscal year ended June 30, 1988 and were paid in September 1988. This resulted in a $77,000,000 reduction in income tax revenue and an increase in accrued liabilities at June 30, 1988 in the Special Revenue Fund - Uniform School Fund.

Deposits:

Construction contracts let by the Department of Transportation (DOT) (Special Revenue Fund) and in the Capital Projects Fund usually include provisions to withhold a percentage of the payments until the project reaches a certain stage of completion. Utah law allows the departments to deposit these funds in an escrow account at the contractor's trustee bank. The State only controls the release of these funds; the assets in the accounts are considered the property of the contractor. Therefore, no liability for these escrow funds has been included in the Financial Statements. At June 30, 1988, $8,855,000 from the Transportation Fund and $2,703,000 from the Capital Projects Fund were being held in contractor escrow accounts.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the Capital Projects Fund as detailed in Note R. Encumbrances outstanding at year end for purchase orders in the General Fund and Special Revenue Funds which were ordered before May 1 and whose delivery was expected before fiscal year end are reported as reservations of fund balances.

3. Enterprise, Internal Service, Non-Expendable Trust, Pension Trust

Basis of Accounting:

The accounts of the Enterprise, Internal Service, Non-Expendable Trust, and Pension Trust Funds are reported using the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when the related liability is incurred. Also, the funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Reported fund equity (net total assets) is segregated into contributed working capital and retained earnings components.

Investments: (See Notes D & E.)

Investments in short term interest bearing securities such as Time Certificates of Deposit are stated at cost which approximates market. Bond investments of the funds are stated at amortized cost.

Equity securities (stocks) are stated at cost which is lower than market at the balance sheet date.

All other investments are recorded at cost net of any premium or discount.

Notes/Mortgages Receivable:

Notes and mortgages have interest rates as established by law. These rates vary by issue but are usually lower than the going market rates and in the case of some of the Internal Service Funds notes receivable, are non-interest bearing. Student loans in the Student Assistance Programs of the Enterprise Funds are guaranteed by governmental agencies. In addition, mortgages receivable of the Utah Housing Finance Agency are insured against loss or are guaranteed by private mortgage companies or governmental agencies. Because of the guarantees, no provisions for possible loan losses have been provided.

Inventory:

Inventory for the Enterprise (Alcoholic Beverage Control) Fund is valued at replacement cost which approximates lower of cost or market on the First-In-First-Out (FIFO) basis. Inventory for the Internal Service Funds is valued at lower of cost (weighted average method) or market.

Deferred Charges:

Deferred charges represent issuance costs on bonds which are amortized over the life of the issue using the bonds outstanding method, which approximates the interest method.

Buildings and Equipment:

Significant buildings and equipment of the Funds are stated at cost and are depreciated on a straight-line basis over their estimated useful lives which extends to 40 years on buildings and 3-12 years on equipment. Automotive equipment in the Internal Service Fund is depreciated using a "units-of-production" method, based on mileage.

Land:

Land is stated at cost. However, in the Non-Expendable Trust Fund the amount for land represents the unpaid mortgage contracts receivable on lands that were repossessed by the State Land Board. In addition, lands owned by the State totaling 3,752,000 acres which were acquired under the federal *Enabling Act* of 1894 are included for reporting purposes at the assigned value of approximately one dollar per acre.

Policy Claim Liabilities:

The liabilities are for insurance claims incurred prior to the reporting date and are based on actuarial estimates.

4. General Fixed Assets Account Group

Basis of Accounting:

Fixed assets used in governmental type operations (general fixed assets) are recorded as expenditures in the governmental funds and capitalized in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, dykes, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have not been capitalized. Such assets normally are immovable and of value only to the State.

Land, buildings, and other fixed assets are recorded at historical cost or at estimated historical cost where historical cost is not available. Donated fixed assets are valued at their estimated fair value at the date of donation. No depreciation has been provided on general fixed assets.

5. General Long-Term Obligation Account Group

Basis of Accounting:

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group. The amounts reported in the Combined Balance Sheet for this Account Group include: $291,005,000 of general obligation bonds which will be paid from the General Fund or Special Revenue Fund appropriations as they mature; $21,285,000 of certificate of participation revenue bonds which are secured by the assets purchased from bond proceeds and will be paid from lease payments of State agencies as well as from General Fund appropriations; $1,875,000 of contract obligations which will be paid from General Fund appropriations; and $1,399,000 of obligations under lease commitments. (See Notes H & I.)

State employees are allowed to accumulate a limited amount of unused annual and compensatory leave which will be paid to them upon separation. In addition, certain retirement benefits are available from accumulated sick leave. In the governmental fund types, the cost of annual leave, compensatory leave and retirement benefits is recognized when used. A long-term liability of $38,084,000 for the accumulated leave and benefits has been reported in the General Long-Term Obligation Account Group for the accumulated balance at June 30, 1988. (See Note S.)

6. College and University Funds

Basis of Accounting:

The College and University Funds are prepared in conformity with generally accepted accounting principles for colleges and universities as prescribed by the National Association of College and University Business Officers. They are accounted for on the accrual basis of accounting, with the following exceptions:

- Depreciation expense related to plant fund assets is not recorded.
- Revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the program is predominantly conducted.

Inventories:

Inventories are stated at lower of cost or market using various valuation methods which include the First-In-First-Out (FIFO), weighted average and weighted moving average bases.

Pledges:

Colleges and Universities recognize gifts and pledges when collected. It is not practical to estimate the net realizable value of such pledges not collected. Uncollected pledges at June 30, 1988 were $19,157,000 of which $6,390,000 is due within one year and $12,767,000 is due after one year.

Principles of Reporting:

The College and University Funds are an aggregate of the institutions' separate financial statements. The presentation is not meant to be a consolidation since transactions within the State entity have not been eliminated nor have fixed assets or long-term debt been reported in the applicable State's account groups. However, appropriations to the colleges and universities are recorded as operating transfers out in the General Fund and as operating transfers in to the College and University Funds.

Receivables:

Accounts Receivable and Notes Receivable are shown net of allowance for doubtful accounts of $6,994,000 and $2,877,000, respectively.

7. Budgeting and Budgetary Control

The Legislature enacts annual budgets for the General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), and the Debt Service Fund through passage of the *Appropriations Act*. Capital Projects Fund appropriations are for projects that may extend over several fiscal years. The *Appropriations Act* becomes the State's authorized operating budget upon the Governor's signature. The appropriations may not exceed the available funding for the fiscal year.

Budgetary control is maintained at the program or organizational line item level in the *Appropriations Act*. Budgets may be modified subject to governor approval if federal funding or revenue specifically dedicated for a line item exceeds original estimates in the *Appropriations Act*. If funding sources are not sufficient to cover the appropriation, the Governor is required to reduce the budget by the amount of such deficiency. Any other changes to the budget must be approved by the Legislature in a supplemental appropriation. During the year, supplemental appropriations of $22,455,000 were provided for various programs.

During the year, the line item for medical assistance was overspent by $259,000. However, State law allows for overspending in medical assistance up to 2% of their budget because of the uncertainty of usage for medicaid payments. The overspending was within the 2% limit but must be replaced with supplemental appropriations in the next fiscal year. All other appropriated line items were within their authorized spending level. Unexpended balances at year end may: 1) lapse to unrestricted balances for future appropriation, 2) lapse to restricted balances for future appropriations restricted for specific purposes as defined by statute, or 3) be non-lapsing - which means balances are reported as reservations of fund balance into the next fiscal year. The balances are considered automatically reappropriated as authorized by statute, by the *Appropriations Act* or by limited encumbrances as defined previously.

The State budget is prepared on the modified accrual basis of accounting with the exception of certain intrafund revenues and expenditures that are recognized for budgetary purposes. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, includes this variation from GAAP and are, therefore, prepared on a budgetary basis. The total variance from GAAP and elimination of the intrafund activity is identified on these statements.

NOTE B. FINANCIAL REPORTING ENTITY

For financial reporting purposes the State of Utah includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or dependent on the State's executive or legislative branches. Control or dependency on the State was determined on the basis of whether the State exercises budgetary control, management control, funding control, debt level controls, or control over the appointment of the administrative bodies. Entities such as the State school districts which may meet only one of the criteria for inclusion in this report as stated in the Governmental Accounting Standards Board Codification section 2100, have not been included because they do not fall within the oversight responsibility of the State's elected officials. (The State's support of the public education system is reported in the Uniform School Fund.)

Based on the foregoing control or dependency factors, the State has included the following entities in the Comprehensive Annual Financial Report.

Area Vocational Centers (Special Revenue Fund):

The State Office of Education has oversight responsibility for the five Area Vocational Centers in the State. They are: Bridgerland, Davis, Ogden-Weber, Sevier Valley, and Uintah Basin. The Centers offer vocational education in various subjects. The Centers receive annual State appropriations for their operations. The individual Centers were audited by other independent auditors, and individual reports, dated from August 12, 1988 to August 31, 1988, have been previously issued under separate cover.

Unemployment Compensation Trust Fund:

The Unemployment Compensation Trust Fund is financed from employer contributions, federal grants, and direct reimbursements from non-contributing employers. The Utah Department of Employment Security has a fiduciary responsibility to administer the Fund. The Department's management and operation are under the supervision of the State Industrial Commission. The Commission is appointed by the Governor and approved by the Senate, and is an integral part of State Government.

Utah Housing Finance Agency (Enterprise Fund):

The Utah Housing Finance Agency issues bonds to provide capital for housing and home mortgages especially for low and moderate income families. Operations are financed from bond proceeds and mortgage and investment interest and fees. The administrative body is made up of State officials and citizens appointed by the Governor. The Fund was audited by other independent auditors, and their report, dated September 2, 1988, has been previously issued under separate cover.

Workers' Compensation Fund (Enterprise Fund):

The Workers' Compensation Fund provides workers' compensation insurance and is financed through member (employer) premiums. The Fund's management is appointed by the Executive Director of the Department of Administrative Services and approved by the Governor. Administrative operations are subject to State control, and administrative budgets are controlled by the State Legislature. The Fund is reported for the period ended December 31, 1987, and their report, dated August 19, 1988, has been previously issued under separate cover.

Utah Technology Finance Corporation (Enterprise Fund):

The Utah Technology Finance Corporation is a non-profit organization which encourages and assists in the development, promotion, and growth of technological and small businesses throughout the State. The corporation receives State appropriations as part of its operating money. The board of trustees includes two members from the legislature with the remaining members being appointed by the Governor with Senate approval. The Fund was audited by other independent auditors, for the period ended June 30, 1988, and their report, dated September 17, 1988, has been previously issued under separate cover.

Alcoholic Beverage Control Commission (Enterprise Fund):

The Alcoholic Beverage Control Commission administers the Alcoholic Beverage Control Act with financing from operations which includes the sale of liquor products. The Commission's operations, policies and administrative expenses are subject to legislative and executive control. The Commissioners are appointed by the Governor with Senate approval. All property of the Commission is State property and all profits from operations are remitted to the State General Fund.

Student Assistance Programs (Enterprise Fund):

The Student Assistance Programs present combined information from two student assistance programs; the Higher Education Assistance Authority, which guarantees repayment of eligible student loans and the State Board of Regents Student Loan Purchase Program, which makes loans to and purchases loans of eligible students. The programs are funded from loan fees, interest and federal allowances. Both programs are administered by the State Board of Regents. The Regents are appointed by the Governor subject to Senate approval. The Board's operations and administrative expenses are subject to legislative and executive control. The Student Assistance Programs were audited by other independent auditors, and their reports, dated September 13, 1988, have previously been issued under separate cover.

Deferred Compensation Plan (Agency Fund):

The Deferred Compensation Fund, which is administered by the Utah State Retirement Board, is a voluntary deferred compensation program available to eligible public employees in the State of Utah whose employing unit participates in the Utah Retirement Systems. Under this program, compensation is deferred for income tax purposes under Section 457 of the Internal Revenue Code, and is placed into an investment option at the election of the individual employee. As defined by Section 457, these funds are available to the creditors of contributing employers until such time as it becomes payable to the participant. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. The Fund was audited by other independent auditors for the period ended December 31, 1987, and their report, dated April 14, 1988, has been previously issued under separate cover.

Utah State Retirement Office (Pension Trust Funds):

The State Retirement Office administers pension funds for various public employee retirement systems of the State and its political subdivisions. The Office is subject to State legislative and executive controls. The Governor, with Senate approval, appoints the Administrative Board. The administrative expenses are subject to legislative budget controls. The Funds were audited by other independent auditors for the period ended December 31, 1987, and their report, dated April 14, 1988, has been previously issued under separate cover.

Utah Public Employees Group Insurance (Internal Service Fund):

The Group Insurance Fund provides health and life insurance and is financed by employee and employer contributions from the State and other participating political subdivisions. The Fund is administered by the State Retirement Office which is subject to legislative and executive control. The Fund was audited by other independent auditors and their report, dated October 7, 1988, has been previously issued under separate cover.

Universities, Colleges and Community Colleges (College and University Funds):

The State Board of Regents has oversight responsibility for the University of Utah, Utah State University, Weber State College, Southern Utah State College, Dixie College, College of Eastern Utah, Snow College, Salt Lake Community College, and Utah Valley Community College. Each college and university is governed by an Institutional Council. The Institutional Council is comprised of eight persons appointed by the Governor and approved by the Senate, the president of the institution's alumni association, and the president of the institution's associated students. The colleges and universities are funded through State appropriations, tuitions, federal grants, and private donations and grants. The colleges and universities were audited by the State Auditor or other independent auditors, and individual reports, dated from August 5, 1988 to October 14, 1988, have been previously issued under separate cover.

NOTE C. CHANGES IN ACCOUNTING PRINCIPLES AND REPORTING PRACTICES

Special Revenue Funds:

The State legislature changed the due date for Income Tax withholding and motor fuel taxes from June 20, to June 30. The taxes in prior years were recognized as revenue when received. To provide consistency between fiscal years in recognizing revenue during the fiscal period, taxes due and payable to the State by June 30 and received shortly after fiscal year end were accrued as revenue in the current period. This resulted in a motor fuel taxes receivable of $4,392,000 and individual income taxes receivable of $8,122,000 for the fiscal year ended June 30, 1988.

Trust and Agency Funds - Pension Fund, State Retirement System:

Prior to 1987, gains and losses on bond exchanges were accounted for under the deferral and amortization method whereby net gains or losses on bond exchanges were deferred and amortized over the life of the bond sold or the life of the bond purchased with the proceeds, whichever was of shorter duration. Beginning in 1987, these gains and losses were accounted for under the completed transaction method whereby all gains and losses are recognized at the time the transaction occurs. This change was made to more accurately recognize the results of investment transactions in the specific period in which the transaction occurred.

Previous deferrals existing as of December 31, 1986 of $35,213,000 were written off during 1987 resulting in the cumulative effect of the change in accounting method reflected in the financial statements and in the Investment Fund activity. Net assets available for future pension benefit obligations were reduced accordingly as a result of the change in accounting method.

Enterprise Funds - Housing Finance Agency:

The Utah Housing Finance Agency adopted the provisions of the Financial Accounting Standards Board, Statement of Financial Accounting Standards No. 91 "Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases". The provisions were adopted for lending transactions entered into and commitments granted on or after July 1, 1987. Accordingly, loan origination and commitment fees and certain direct loan origination and commitment costs are being deferred and amortized over the life of the loan using the interest method as an adjustment of yield. The unamortized balance of net loan origination fees are included in loans receivable.

Before adopting Statement 91, loan origination fees in excess of costs to originate loans were deferred while such loans are held in the loan portfolio, with the remaining fees recorded as loan fee income. Deferred fees on loans, representing yield adjustments, were accreted into income using the interest method. Loan commitment fees were deferred and recorded ratably as income over the respective commitment period. As a result of adopting Statement 91, net loan fees of $2,976,000 that would have otherwise been reflected as income for the year ended June 30, 1988 were deferred.

Internal Service Funds:

In prior years, the Department of Transportation data processing, equipment management, and the material testing laboratories were administered as part of the Transportation Fund (Special Revenue Fund). Beginning July 1, 1987 these functions were operated as Internal Service Funds with assets from the General Fixed Asset Account Group transferred to the Internal Service Fund. This resulted in a reduction of $55,766,000 in the General Fixed Assets and an increase in assets and fund balance net of accumulated depreciation of $28,910,000 in the Internal Service Fund.

NOTE D. CASH AND CASH EQUIVALENTS AND OTHER INVESTMENTS

1. Cash and Cash Equivalents

Cash equivalents are carried at cost or amortized cost which approximates market. All interest revenue is allocated to the General Fund except allocations required by law to be made to other funds. The interest revenue allocated to the General Fund is reduced when any of the funds consistently reflects a deficit cash position.

"Cash and Cash Equivalents" as reported on the balance sheets, may be under the control of the State Treasurer or by other administrative bodies as determined by law. All cash deposited with the State Treasurer by State entities is maintained by the Treasurer in various pooled investment funds. The State Treasurer invests the deposited cash including the cash float in short-term securities and other investments.

2. Other Investments

"Other Investments" as reported on the balance sheets, include long-term investments. These investments may be restricted by law or other legal instruments. "Other Investments" may be under the control of the State Treasurer or by other administrative bodies as determined by law. These investments are carried at amortized cost.

NOTE E. DEPOSITS AND INVESTMENTS PORTFOLIO

Listed below is a summary of the deposit and investment portfolio that represents the Cash and Cash Equivalents and

Other Investments on the June 30, 1988 balance sheets. Investing is governed by the prudent man rule in accordance with the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. All securities purchased or held and all evidence of deposits and investments must be in the custody of the State or deposit may be made with an agent in the State's name. Investment transactions may only be conducted through qualified depositories or primary reporting dealers.

1. Deposits

At June 30, 1988, the carrying amount of the State's deposits was $236,154,000 which includes federal food stamps of $20,628,000. At June 30, 1988, the bank balance was $318,314,000. Of the bank amount, $6,280,000 is covered by the Federal Deposit Insurance Corporation and the remaining deposits are uninsured and uncollateralized and are held by various financial institutions. The State of Utah does not require collateral on deposits. However, the State Commissioner of Financial Institutions monitors financial institutions monthly and establishes limits for deposit of public money at individual financial institutions.

2. Investments

Statutes authorize the State to invest in negotiable certificates of deposit issued by approved banks and savings and loans; repurchase agreements; commercial paper rated P-1 by Moody's Investor Services or A-1 by Standard and Poor's Inc.; bankers' acceptances; obligations of the U.S. Treasury, and certain agencies of the U.S. Government; bonds, notes and other indebtedness of political subdivisions of the State; shares or certificates in any open-end management investment company registered with the Securities and Exchange Commission subject to certain portfolio restrictions; guaranteed loans to college students; and certain secured debt of public housing authorites. Certain State entities are also allowed by statute to invest in equities, real estate, and other investments.

The following table (in thousands) provides information about the credit and market risks associated with the State's investments. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the State's name.

	Category			Carrying Amount	Market Value
	1	2	3		
Repurchase Agreements	$ 565	$ 60,000	$ 51,163	$ 111,728	$ 111,728
Short-Term Securities	11,978	164,332	17	176,327	177,143
U.S. Govt. Securities	265,392	7,988	17,039	290,419	295,533
Negotiable Certificates of Deposit	715,314	28	19,000	734,342	736,271
Commercial Paper	211,568	—	—	211,568	209,555
Corporate Bonds	1,314,233	—	996	1,315,229	1,353,116
Equity Securities	1,068,213	—	3,084	1,071,297	1,209,393
Municipal and Public Utility Bonds	136	—	—	136	68
Mortgage Loans:					
Collateralized Loans	9,196	—	—	9,196	9,196
Real Estate Notes	14,949	—	—	14,949	14,949
Life Insurance Investment Contracts	78,559	—	—	78,559	87,140
Investment Agreements	—	163,509	—	163,509	163,509
Real Estate	253,693	—	13,837	267,530	243,454
Total	$ 3,943,796	$ 395,857	$ 105,136	4,444,789	4,611,055
Investments held by broker-dealers under reverse repurchase agreements:					
U.S. Government Securities				20,101	19,352
Mutual and Escrow Funds				87,207	83,423
Pooled Investment Contracts				11,753	11,753
Investment in U.S. Treasury Investment Pool				167,168	167,168
Total Investments				$ 4,731,018	$ 4,892,751

The Pension Trust Fund owns approximately 66% of the investments that are in Category 1 and approximately 57% of the investments that are in Category 2.

3. Reverse Repurchase Agreements

State statutes permit the State to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in market value of the securities. If the dealers default on their obligations to resell these securities to the State or provide securities or cash of equal value, the State would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. This credit exposure at year-end was $278,000.

NOTE F. DUE FROM/TO OTHER FUNDS

Due From/To Other Funds at June 30, 1988, consist of the following (Expressed in thousands):

	Interfund Receivables	Interfund Payables
General Fund	$ 20,825	$ 29,610
Special Revenue Funds:		
Uniform School	1,516	1,578
Transportation	245	12,891
Capital Projects Fund	3,709	821
Debt Service Fund	106	—
Enterprise Funds:		
Utah Correctional Industries	833	78
Blind Industries	2	325
Alcoholic Beverage Control	—	7,457
Workers' Compensation	3	39
Internal Service Funds:		
Water Resources Loan Fund	68	—
Data Processing	2,978	1,306
Central Services Fund	1,479	5,254
Surplus Property	60	317
Communications	1,305	640
Social Services/Internal Service	206	23
Prison Services	—	3,914
Office of Education/Superintendent	123	14
Natural Resources	324	46
Admin. Services Risk Management	59	240
Transportation/Internal Service	172	69
Property Management	414	209
Trust and Agency Funds:		
Land Board	14	246
Unemployment Compensation Trust	—	646
Restricted	1,989	1,834
Agency	29,496	—
Indian Affairs	—	4
Employers' Reinsurance	5,632	581
College and University Funds:		
Unrestricted Current	2,978	3,427
Restricted Current	—	2,837
Endowment and Similar	5,171	12
Unexpended Plant	6	4,203
Renewal and Replacement Plant	259	105
Retirement of Indebtedness Plant	—	13
Investment in Plant	—	1,233
Total	$ 79,972	$ 79,972

NOTE G. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	Balance July 1, 1987	Additions	Retirements	Balance June 30, 1988
GENERAL FIXED ASSETS:				
Land	$ 72,674,000	$ 6,976,000	$ 1,722,000	$ 77,928,000
Buildings and Improvements	306,968,000	23,972,000	4,045,000	326,895,000
Machinery and Equipment	133,478,000	14,836,000	59,013,000	89,301,000
Construction-In-Progress	55,427,000	25,930,000	15,153,000	66,204,000
Total General Fixed Assets	$ 568,547,000	$ 71,714,000	$ 79,933,000	$ 560,328,000

Construction-In-Progress retirements are transferred as additions to land and buildings. These additions represent land of $803,000 and buildings of $14,350,000. Construction-In-Progress at June 30, 1988 consisted of the following:

Project	Description	Amount Authorized	Amount Expended	Balance Authorized	Required Future Financing
85239	Corrections Phase I Function Unit #1 and #3 and Gatehouse Building	$ 19,419,000	$ 19,276,000	$ 143,000	None
84355	Iron Co. Criminal Justice Res. Center	8,202,000	8,082,000	120,000	None
84356	Corrections - Women's Secure Facility	4,976,000	4,991,000	(15,000)	None
85028	Corrections Master Plan Phase I Design	4,557,000	4,370,000	187,000	None
85057	Davis Area Vocational Center - Phase I	4,250,000	4,222,000	28,000	None
86017	DFCM Data Processing Computer Center	3,499,000	3,533,000	(34,000)	None
84425	National Guard A.D.D.S. Building	4,122,000	3,193,000	929,000	None
86030	Bridgerland Area Vocational Ctr. - Phase IV	4,564,000	2,702,000	1,862,000	None
86018	Juvenile Court District #1 - Ogden	3,438,000	2,552,000	886,000	None
87015	Corrections Regional Prison Plan and Site Acquisition	2,000,000	2,058,000	(58,000)	None
—	Thirty - Eight Other Projects	18,473,000	11,225,000	7,248,000	None
	Total	$ 77,500,000	$ 66,204,000	$ 11,296,000	

NOTE H. BONDS AND NOTES PAYABLE

Bonds Payable presented in the General Long-Term Obligation Account Group consists of the following:

General Obligation Bonds:

General Obligation Bonds Outstanding	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 1988
1975 Building Issue	7/1/75	1981-1988	5.25% to 5.70%	$ 70,000,000	$ 9,000,000
1978 Building Issue	7/1/78	1982-1989	4.75% to 5.80%	$ 25,115,000	10,000,000
1978 Water Issue	7/1/78	1981-1989	4.75% to 5.95%	$ 25,000,000	10,200,000
1980 Water Issue	10/1/80	1981-1989	6.25% to 7.75%	$ 11,000,000	3,000,000
1982 Water Issue	6/1/82	1982-1989	8.75% to 10.20%	$ 14,000,000	9,000,000
1984 Refunding Issue	5/1/84	1987-1990	6.60% to 7.60%	$ 29,490,000	15,490,000
1985B Refunding Issue	10/1/85	1987-1991	5.90% to 7.40%	$ 81,135,000	78,885,000
1986 Various Purpose Issue	7/15/86	1988-1993	5.00% to 8.00%	$ 91,230,000	91,230,000
1987 Capital Facility Issue	7/15/87	1991-1994	5.30% to 5.90%	$ 58,475,000	58,475,000
1988 Lease Acquisition Issue	3/1/88	1991	5.25%	$ 5,725,000	5,725,000
Total General Obligation Bonds Payable					$ 291,005,000

General obligation bonds are secured by the full faith and credit of the State. Debt service requirements are provided by legislative appropriation from the State's general tax revenues.

Debt service cash requirements to maturity for general obligation bond issues for fiscal years ended June 30, are summarized below (expressed in thousands):

	Principal												
	1975 Building	1978 Building	1978 Water	1980 Water	1982 Water	1984 Refunding	1985 Refunding	1986 Various Purpose	1987 Capital Facility	1988 Lease Acquisition	Principal Amount Required	Interest Amount Required	Total Amount Required
1989	$ 9,000	$ 4,500	$ 4,700	$ 1,500	$ 1,000	$ 7,250	$ 2,195	$ 10,225	$ —	$ —	$ 40,370	$ 16,724	$ 57,094
1990	—	5,500	5,500	1,500	8,000	8,240	3,570	10,800	—	—	43,110	13,599	56,709
1991	—	—	—	—	—	—	35,155	5,075	—	—	40,230	10,480	50,710
1992	—	—	—	—	—	—	37,965	—	575	5,725	44,265	7,340	51,605
1993	—	—	—	—	—	—	—	44,400	—	—	44,400	4,676	49,076
1994	—	—	—	—	—	—	—	20,730	24,000	—	44,730	2,000	46,730
1995	—	—	—	—	—	—	—	—	33,900	—	33,900	—	33,900
Total	$ 9,000	$ 10,000	$ 10,200	$ 3,000	$ 9,000	$ 15,490	$ 78,885	$ 91,230	$ 58,475	$ 5,725	$ 291,005	$ 54,819	$ 345,824

Changes in General Obligation Bonds for the Fiscal Year 1988 are summarized below:

Balance at July 1, 1987	$ 255,155,000
New Bonds Issued:	
1987 Capital Facilities	58,475,000
1988 Lease Acquisition	5,725,000
Bonds Retired	(28,350,000)
Balance at June 30, 1988	$ 291,005,000

The proceeds of the 1985 General Obligation Refunding Bond, issued October 1, 1985, along with other monies available for debt service which included a net gain of $192,000, were placed in trust and used to purchase securities of the U.S. Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the following Bond issues:

Bond Issue	Principal Outstanding at June 30, 1988
1983 Highway Bonds	$ 7,500,000
1983 Water Bonds	38,500,000

The assets are administered by the trustee and are restricted for the retirement of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying financial statements as the State defeased its obligation for payment of the bonds upon completion of the refunding transaction.

Revenue Bonds:

Revenue bonds and notes consist of those issued by the Utah Housing Finance Agency, the Utah State Board of Regents Student Loan Purchase Program, and the various colleges and universities. These bonds and notes are not considered general obligations of the State.

The Utah Housing Finance Agency bonds were issued to provide sources of capital for housing persons of low or moderate income. The bonds are secured by mortgages and repayments are made from the mortgage proceeds. Outstanding bonds payable are reported in the Enterprise Funds. Of the total reported bonds payable, $12,144,000 represents deferred interest on revenue bonds outstanding.

The Utah State Board of Regents Student Loan Purchase Program bonds were issued to provide funds for student loans and are secured by all assets of the Board of Regents Revenue Bond Fund and the revenues and receipts derived from such assets. Outstanding bonds payable are reported in the Enterprise Funds.

The colleges and universities issue bonds for various purposes including student housing, special events centers and student unions. The bonds are secured by the related assets, student building fees and other income of certain college activities. Outstanding bonds payable are reported in the College and University Fund.

The State of Utah Equipment Certificates of Participation were issued to finance certain equipment to be utilized by the various agencies and departments of the State. The certificates are secured by the equipment they finance. Outstanding bonds payable are reported in the General Long-Term Obligation Account Group.

The proceeds of the General Obligation Refunding bond, issued May 1, 1984, were placed in trust and used to purchase securities of the U.S. Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the Building Ownership Authority revenue bonds, of which $28,330,000 was outstanding at June 30, 1988. The assets are administered by the trustee and are restricted for the retirement of the refunded debt. The liability for the revenue bonds and the related securities and escrow accounts are not included in the accompanying financial statements as the State defeased its obligation for payment of the revenue bond debt upon completion of the refunding transaction.

The colleges and universities placed the proceeds of new bond issues along with various bond reserves and/or pledged revenues into irrevocable trust accounts to defease certain revenue bonds. At June 30, 1988, $48,435,000 of the bonded debt remained outstanding and is considered extinguished by these in-substance defeasance transactions. Therefore, the liability is not included in the accompanying financial statements.

Revenue Bonds Outstanding	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 1988
1977-1988 Utah Housing Finance Agency Issues	1977–1988	1979–2025	4.7% to 12.875%	$ 1,378,523,000	$ 958,194,000
1979 Board of Regents Student Loan Issue	1/26/79	1979–1996	6.1% to 6.625%	$ 47,400,000	23,682,000
1984A Certificates of Participation	4/1/84	1985–1991	6.0% to 8.0%	$ 34,490,000	21,285,000
Colleges and Universities Revenue Bonds	1952–1988	1980–2016	3.0% to 11.25%	$ 97,399,000	69,927,000
Total Revenue Bonds Outstanding					1,073,088,000
Utah Housing Finance Agency Deferred Interest Payable					12,144,000
Total Revenue Bonds Payable					$ 1,085,232,000

Debt service cash requirements to maturity on revenue bond issues for fiscal years ending June 30, are summarized below (expressed in thousands):

	Principal						
Fiscal Year	Housing Finance Agency	Student Loan Programs	Certificates of Participation 1984A	Colleges and Universities	Total Principal Required	Total Interest	Total Amount Required
1989	$ 38,780	$ 1,900	$ 5,245	$ 4,087	$ 50,012	$ 82,381	$ 132,393
1990	21,435	1,600	5,705	4,192	32,932	82,273	115,205
1991	22,610	1,200	6,210	4,513	34,533	79,927	114,460
1992	22,915	—	4,125	4,829	31,869	77,546	109,415
1993	23,955	—	—	5,164	29,119	75,321	104,440
1994-1998	146,093	18,982	—	22,343	187,418	336,178	523,596
1999-2003	171,769	—	—	13,252	185,021	268,154	453,175
2004-2008	200,886	—	—	9,865	210,751	185,039	395,790
2009-2013	151,115	—	—	1,570	152,685	102,360	255,545
2014-2018	109,546	—	—	112	109,658	50,042	159,700
2019-2023	43,950	—	—	—	43,950	8,479	52,429
2024-2027	5,140	—	—	—	5,140	688	5,828
Total	$ 958,194	$ 23,682	$ 21,285	$ 69,927	$ 1,073,088	$ 1,348,888	$ 2,421,976

Changes in Revenue Bonds for the Fiscal Year 1988 are summarized below:

Balance at July 1, 1987	$ 995,205,000
New Bonds Issued:	
Colleges and Universities	25,127,000
Utah Housing Finance Agency	187,735,000
Bonds Retired	(122,835,000)
Balance at June 30, 1988	$ 1,085,232,000

Notes Payable

During fiscal year 1984, the Student Assistance Programs entered into a financing agreement with the Student Loan Marketing Association (SLMA) in which SLMA committed to advance the program, at any one time, an aggregate outstanding balance of up to $300,000,000. These notes bear interest at a per annum rate equal to the 91-day Treasury Bill rate plus 1.25 percentage points. As of June 30, 1988, the borrowings under the agreement amounted to $141,400,000. Payments of principal begin the earlier of the day that the advances total $300,000,000 or February 23, 1989. The notes are due February 23, 1999. The notes are secured by the student loans financed by the program and by the assets of the Student Loan Funds.

Other notes payable of $146,276,000 represent the remaining balances of purchases of buildings and equipment. The notes bear various interest rates and will be repaid over the next 1 to 24 years. They are secured by the related assets.

Notes Payable for Fiscal Year 1988 are summarized below (expressed in thousands):

	Internal Service Funds	Enterprise Funds	College & University Funds	Total
Balance at July 1, 1987	$ 75	$ 133,602	$ 18,537	$ 152,214
Additions	—	11,016	1,909	12,925
Deletions	(13)	(3,177)	(15,673)	(18,863)
Balance at June 30, 1988	$ 62	$ 141,441	$ 4,773	$ 146,276

Contracts Payable

The Department of Natural Resources entered into a contract in fiscal year 1986 to purchase land for wildlife habitat and conservation. The contract term is for four years and bears an annual interest rate based on the annual rate for Reserve Adjusted Certificates of Deposit. At June 30, 1988, the remaining contract commitments totaled $1,875,000. Debt service payments are from General Fund appropriations and are secured by the related land.

Contracts Payable in the General Long-Term Obligations Account Group includes legal contracts and capital leases. The changes for the 1988 fiscal year, in this Account Group for contracts payable, are as follows: (Lease obligations are detailed in Note I.)

Balance at July 1, 1987	$ 2,812,000
Principal Payments	(937,000)
Balance at June 30, 1988	$ 1,875,000

Leave Obligations

Changes in the leave obligation are:

Balance at July 1, 1987	$ 36,248,000
Increase in Health Care Premiums	3,003,000
Increase in Accrued Leave Benefits	358,000
Decrease in Sick Leave Accrual Benefits	(1,525,000)
Balance at June 30, 1988	$ 38,084,000

NOTE I. LEASE COMMITMENTS

The State leases office buildings and office and computer equipment. Although the lease terms vary, most leases are subject to annual appropriations from the State Legislature to continue the lease obligations. If a legislative appropriation is reasonably assured, leases are considered noncancellable for financial reporting purposes and are reported in the General Long-Term Obligation Account Group or appropriate proprietary or College and University fund types as described as follows.

Assets acquired through capital leasing are valued at the lower of fair market value or the present value of the future minimum lease payments, at the inception of the lease. Capital lease obligations for the proprietary fund types are reported in those funds as long-term obligations. The related assets and depreciation of these assets are included in the proprietary funds. Capital lease obligations for the governmental type funds are reported in the General Long-Term Obligation Account Group and the related assets are reported in the General Fixed Assets Account Group. Capital leases for the College and University Funds are reported in those funds along with the related assets.

Operating leases (leases on assets not recorded in the Balance Sheet) contain various renewal options as well as some purchase options. However, due to the nature of the leases, the related assets were not classified as capital assets. Any escalation clauses, sublease rentals and contingent rents were considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred.

The total operating lease expenditures for fiscal years 1988 and 1987 were $29,979,000 and $15,201,000, respectively. Future minimum lease commitments for noncancellable operating leases and capital leases as of June 30, 1988, were as follows:

		Capital Leases			
Fiscal Year	**Operating Leases**	**Long-Term Obligation Account Group**	**Proprietary Funds**	**College and University Funds**	**Total**
1989	$ 8,134,000	$ 331,000	$ 100,000	$ 1,138,000	$ 1,569,000
1990	7,113,000	308,000	102,000	832,000	1,242,000
1991	5,782,000	290,000	102,000	689,000	1,081,000
1992	3,563,000	285,000	96,000	438,000	819,000
1993	2,525,000	252,000	97,000	239,000	588,000
Thereafter	6,116,000	302,000	218,000	708,000	1,228,000
Total Future Minimum Lease Payments	$ 33,233,000	1,768,000	715,000	4,044,000	$ 6,527,000
Less Amounts Representing Interest		369,000	211,000	869,000	
Present Value of Future Minimum Lease Payments		$ 1,399,000	$ 504,000	$ 3,175,000	

Changes in Capital Lease Long-Term Obligations for the 1988 fiscal year are as follows:

	Long-Term Obligation Account Group	**Proprietary Funds**	**College and University Funds**	**Total**
Balance at July 1, 1987	$ 3,332,000	$ 2,850,000	$ 2,592,000	$ 8,774,000
Existing Leases - Payments or Current Portion	(225,000)	(6,000)	(792,000)	(1,023,000)
Leases Completed	(1,763,000)	(2,826,000)	—	(4,589,000)
Leases Added	55,000	486,000	1,375,000	1,916,000
Balance at June 30, 1988	$ 1,399,000	$ 504,000	$ 3,175,000	$ 5,078,000

NOTE J. PENSION PLANS

Eligible employees of the State are covered by one of the following retirement plans:

1. Utah State Retirement Systems

The Utah State Retirement Systems (Systems) and related deferred compensation plans (Plans) were established by Chapter 49 of *Utah Code Annotated, 1953*, as amended. The Systems are a group of cost-sharing, multiple-employer public employee retirement systems (PERS). The Utah State Retirement Office administers the Systems and Plans under the direction of the Utah Retirement Board (Board), which consists of the State Treasurer and six members appointed by the Governor. The Board has a separate accounting system and prepares a component unit financial report covering all retirement systems and deferred compensation plans administered by it. The Systems and Plans maintain records and accounts and prepare financial statements using fund accounting principles and the accrual basis of accounting. The Board's accounting system reports on a calendar year end. The December 31, 1987 component unit financial report has been included in this Comprehensive Annual Financial Report as a Pension Trust Fund for the PERS and 401(k) Deferred Compensation Plan and as an Agency Fund for the 457 Deferred Compensation Plan.

The Systems are comprised of the following groups of defined benefit PERS covering substantially all employees of the State, public education and other political subdivisions of the State:

- The Contributory Retirement System includes employees of participating higher education, secondary education, and other State and local governmental units, including support staff associated with employees covered under the other systems below.
- The Noncontributory Retirement System was established on July 1, 1986. All new employees of State and school entities hired subsequent to that date are automatically members of this new system. Local governmental entities have the option of adopting the new System or remaining with the Contributory System.
- The Utah Public Safety Retirement System (Public Safety) includes State and local governmental employees directly involved in law enforcement.
- The Utah Firefighters' Retirement System (Firefighters') includes State and local government employees directly involved in fire fighting.
- The Utah Judges' Retirement System (Judges') includes State and local, appointed, or elected judges.
- Other - Several other smaller plans are offered to those employees or groups of employees who elect coverage.

Retirement benefits are specified by State statutes. The Retirement Systems are defined benefit plans wherein the benefits are computed using final average salary and years of service. Various plan options within the Systems may be selected by retiring members, some of which require actuarial reductions based on attained age, age of spouse, and similar actuarial factors. A brief summary of eligibility for and benefits of the Systems are provided in the following table:

	Contributory System	Noncontributory System	Public Safety System	Firefighters' System	Judges' System
Highest Average Salary	Highest 5 Years	Highest 3 Years	Highest 3 Years	Highest 3 Years	Highest 3 Years
Years of Service Required and/or Age Eligible for Benefit	30 years any age	30 years any age	20 years any age		25 years any age
	20 years age 60	*25 years any age	10 years age 60		20 years age 55
	10 years age 62	20 years age 60	4 years age 65		10 years age 62
	4 years age 65	10 years age 62			6 years age 70
		4 years age 65			
Benefit Percent per Year of Service	1.10% per year to June 1967		2.5% per year up to 20 years		3.80% to 10 years
	1.25% per year July 1967 to June 1975		2.0% per year over 20 years		2.25% to 20 years
	2.00% per year July 1975 to present				1.0% over 20 years

*With full actuarial reductions

Death benefits for active and retired employees are in accordance with retirement statutes. Member's benefits fully vest after six years in the Judges' Systems and four years in the other Systems. Upon termination of employment, members of the Systems may leave their retirement account intact for future benefits or withdraw the accumulated funds in their individual member account and forfeit rights to future benefits.

At December 31, 1987, participating members, by System, are included in the following table:

	Contributory System	Noncontributory System	Public Safety System	Firefighters' System	Judges' System
Number of participating:					
Employers	303	238	102	24	1
Members:					
Active	27,359	39,045	4,019	1,041	89
Terminated vested	7,353	102	565	65	1
Retirees and beneficiaries:					
Current	13,427	3,440	992	414	47
Disability	536	—	91	72	1

System participation requires employee and employer contributions. Employee contributions are vested and ranged from 6.0% to 14.81% of the employee's annual salary or wages. The employee vested contributions may be paid in part or in whole by the employer. Employer contributions vest to the employee after four to six years of employment and range from 1.32% to 14.64% of the employee's salary or wages. Employer contribution rates consist of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the members during the current service year) and (2) an amount for amortization of the unfunded pension benefit obligation over the remainder of the original 40-year amortization period. These rates are determined using the entry age normal actuarial cost method with a supplemental value and the same actuarial assumptions that were used to calculate the pension benefit obligation. Retirement benefits are specified by statute and are computed using final average salary, age, and years of service.

An early retirement option was granted for a limited time period during 1987 in the Public Employee Contributory and Noncontributory Retirement Systems. This benefit will cause contribution rates to increase about 1.3% of covered payroll in the State and School Divisions of the Contributory and Noncontributory Retirement Systems. The increase in the Local Governmental Divisions will be about 0.83% of covered payroll in both the Contributory and Noncontributory Retirement Systems. These rate increments are projected over a nineteen year funding period.

The Board engages an independent firm of actuaries to estimate the present value of pension benefit obligations for the purpose of determining required reserves for active and terminated participants, retired individuals and beneficiaries, and for the determination of contribution rates.

The "Pension Benefit Obligation" is a standardized measure of the present value of the pension benefits, adjusted for the effects of projected salary increases, to be payable in the future as a result of employee service rendered to date. The standardized measure is the actuarial present value of credited projected benefits and is intended to help users of the financial statements assess the Utah Retirement Systems' funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits as they become due and make comparisons with the funding status and progress of other PERS and other employers. Ten-year historical trend information is presented as part of the Utah Retirement Systems' separately issued component unit financial report and is designed to help users evaluate the Systems' progress in accumulating sufficient assets to pay pension benefits as they become due.

The "Unreserved but Designated" amount represents actuarial experience reserves established by the Board to provide for possible adverse experience from actuarial assumptions and investment performance. This reserve is comprised of investment earnings in excess of the actuarial assumed interest rate of 7.5% up to approximately 3% of the pension benefit obligation for active and inactive members. The Board has also established similar reserves for retired members and beneficiaries that is part of this amount.

Net assets available for future benefit obligations represent the excess of net assets available for benefits over the pension benefit obligations and total unreserved by designated fund balance.

Unfunded pension benefit obligations represent the excess of the total pension benefit obligations and total unreserved but designated fund balance over net assets available for benefits.

The schedule below presents the primary actuarial assumptions used in the actuarial report dated January 1, 1987.

System	Assumed Rate of Interest	1983 Group Annuity Mortality Table (Years Set Ahead)		Assumed Salary Increases	Retirees and Beneficiaries Maximum Annual Cost of Living Adjustment
		Male	Female		
Contributory	7.5%	0	1	5.75%	4.0%
Noncontributory	7.5%	0	1	5.75%	4.0%
Public Safety	7.5%	2	1	5.75%	2.5%
Firefighters'	7.5%	2	1	5.75%	2.5%
Judges'	7.5%	0	1	5.75%	4.0%

Prior years' experience was used for the retirement age assumption. Assumed salary increases are attributable to inflation and seniority/merit and not post-retirement benefit increases. The actuarial assumed interest rate of 7.5% was allocated to appropriate pension benefit obligation reserves. Net investment earnings in excess of the assumed interest rate were allocated to appropriate fund balances in accordance with State law and Board directives.

The pension benefit obligation in these financial statements was determined using the actuarial valuation at January 1, 1987 plus all activity recorded from then through December 31, 1987.

The January 1, 1987 actuarial valuation of pension benefit obligations and net assets available are presented in the following table (expressed in thousands):

	Contributory System	Noncontributory System	Public Safety System	Firefighters' System	Judges' System	Total All Systems
Pension benefit obligation:						
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 596,208	$ 93,869	$ 122,760	$ 59,472	$ 5,050	$ 877,359
Current employees:						
Accumulated employee contributions, including allocated investment income	428,460	343,302	54,864	20,843	2,972	850,441
Employer-financed portion vested	343,132	300,647	110,040	72,453	8,440	834,712
Employer-financed portion non-vested	35,616	21,278	5,156	3,226	1,188	66,464
Total pension benefit obligation	1,403,416	759,096	292,820	155,994	17,650	2,628,976
Unreserved but designated	78,519	21,858	13,958	10,196	1,025	125,556
Total pension benefit obligation and unreserved but designated	1,481,935	780,954	306,778	166,190	18,675	2,754,532
Net assets available for benefits at cost (market value is $2,526,853)	1,348,403	811,079	225,989	104,241	12,706	2,502,418
Net assets available for future pension benefit obligations	—	30,125	—	—	—	30,125
Unfunded pension benefit obligation	$ 133,532	$ —	$ 80,789	$ 61,949	$ 5,969	$ 282,239

During 1987, a one time early retirement benefit was granted to qualified members of the Contributory and Noncontributory Retirement Systems. The present value costs of this benefit based on contribution rate increment increases are $88 million and $144 million for the State and School Divisions of the Contributory and Noncontributory Systems respectively. The Local Governmental Divisions costs are $23 million and $12 million for the Contributory and Noncontributory Systems respectively. These pension benefit obligations have been recorded in the pension fund.

Actuarial gains and losses result from the differences between the pension benefit obligations and unreserved but designated amounts computed by the actuary and those same amounts reflected on the financial statements as of the date of the actuarial report. The net actuarial gain or loss is adjusted against the unfunded pension benefit obligation based on the annual actuarial valuation.

Information regarding contributions for the Systems for the year ended December 31, 1987 are presented in the following table (expressed in thousands):

	Contribution Requirements					Contributions Made				
	Normal Cost		Unfunded Cost			Member		Employer		
System	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll	Total Amount	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll	Covered Payroll
Contributory	$ 48,348	9.71%	$ 9,714	1.95%	$ 58,062	$ 31,492	6.32%	$ 26,570	5.33%	$ 498,156
Noncontributory	56,947	7.70%	18,856	2.55%	75,803	2,754	0.37%	73,049	9.88%	739,453
Public Safety	14,119	13.41%	5,760	5.47%	19,879	12,102	11.49%	7,777	7.39%	105,300
Firefighters'	6,114	21.45%	2,953	10.36%	9,067	4,194	14.71%	4,873	17.10%	28,505
Judges'	930	21.38%	190	4.36%	1,120	381	8.76%	739	16.98%	4,351
Total	$ 126,458		$ 37,473		$ 163,931	$ 50,923		$ 113,008		$ 1,375,765

Contributions by employers and members were in accordance with actuarially computed funding requirement determinations. Fire insurance, premium taxes and court fees are included as part of employer contributions in the table above for the Firefighters' and Judges' Systems, respectively.

The unfunded actuarial liability is not segregated by participating governmental units. Therefore, it is not possible to segregate the unfunded actuarial liability for the State of Utah as a separate entity. However, it is anticipated by the actuary that the increased contribution rate as adjusted to cover the 1987 early retirement unfunded liability will remain approximately level and will fund current service cost and will amortize unfunded actuarial liabilities of prior service cost over the forty-year period ending July 1, 2007.

The following table represents the State of Utah's employer contributions to the State Retirement Systems and includes a one time payment of $5,847,000 in Fiscal Year 1988 to provide funding for the early retirement provisions and thus reduce future contribution rates:

	Year Ended June 30, 1988	Year Ended June 30, 1987
General Fund	$ 32,130,000	$ 26,900,000
Special Revenue Funds:		
Uniform School Fund	2,448,000	2,639,000
Transportation Fund	4,043,000	5,212,000
Capital Projects Fund	1,000	2,000
Enterprise Funds	938,000	1,173,000
Internal Service Funds	1,965,000	1,379,000
Pension Trust Fund	392,000	348,000
College and University Funds	14,576,000	14,159,000
Total	$ 56,493,000	$ 51,812,000

2. Teachers Insurance and Annuity Association

The Teachers Insurance and Annuity Association (TIAA-CREF), a privately administered retirement plan, provides individual retirement fund contracts for each eligible participating employee. Eligible employees consist mainly of State College/University and Area Vocational Center faculty. Benefits to retired employees are generally based on the value of the individual contracts and the estimated life expectancy of the employee at retirement. The total contribution is 14.2% of the employee's annual salary. Most of the colleges and universities contribute both the employer and the employee share of 7.1%. All other employees in this plan pay their share and the employer matches it. The State has no further liability once annual contributions are made.

The State of Utah's actual current year employer contributions to the TIAA-CREF retirement system are listed below:

	Year Ended June 30, 1988	Year Ended June 30, 1987
General Fund	$ 117,000	$ 96,000
Special Revenue Fund:		
Uniform School Fund	49,000	42,000
Enterprise Funds	28,000	22,000
College and University Funds	25,615,000	24,167,000
Total	$ 25,809,000	$ 24,327,000

3. Travelers Insurance Retirement Plan

There are 414 employees of the Department of Employment Security (accounted for in the General Fund) participating in the Travelers Insurance Plan which is a deposit fund administered retirement plan. The employer payments are fully funded through federal revenues from the U.S. Department of Labor.

The contribution is 16.94% of the employee's annual salary, of which 3.05% is paid by the employee, 3.95% is paid by the employer for the employee, and 9.94% is paid by the employer. The employer is also contributing to prior service costs. Retirement benefits are computed using salary, age, and years of service.

According to the latest periodic actuarial valuation on October 1, 1987, the present value of future retirement benefits is $99,334,000 and the unfunded liability is $19,574,000. Net assets available for benefits are $61,293,000. The unfunded liability represents cost of living increases on benefits. The average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 7% for 1987 and 1986.

The State of Utah's actual current year employer contributions, including prior year service costs to the Travelers Retirement Plan from the General Fund in fiscal years ended June 30, 1988 and 1987 were $4,062,210 and $5,690,000, respectively.

NOTE K. DEFERRED COMPENSATION PLAN

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. There are two colleges and universities which have also set up deferred compensation plans under the IRC Section 457 for the college employees. There are no funding requirements in the deferred compensation plans other than the deposit of deferred compensation or voluntary contributions for the employee by the employer. The deferred compensation under both plans is not available to employees until termination, retirement, death, or unforeseeable emergency.

All compensation deferred under the plans, as well as assets acquired and income earned by the plans, are held as agency funds for the respective employers and do not belong to the member participants until the funds are distributed to them. Until that time the funds remain assets of the respective employers and are available to the general creditors of these employers. Participants' rights under the plans are equal to those of general creditors of the respective employers in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the State's legal counsel that the State and colleges have no liability for losses under the plans but do have the duty to exercise the due care that would be required of an ordinary prudent investor. The State and colleges believe that it is unlikely that they will use the plans' assets to satisfy the claims of general creditors in the future.

Of the $82,925,000 in assets reported on the balance sheet in the State plan at December 31, 1987, $43,276,000 was applicable to State agencies including State colleges and universities participating in the State plan and $39,649,000 represents the assets of the other jurisdictions participating in the plan.

NOTE L. FUND BALANCES

The State's reserved fund balances represent those portions of fund balance that are: 1) not available for appropriation or expenditure, which include loans receivable and the long-term portion of advances to other funds; or 2) fund balances that are legally segregated for a specific future use which include reserves for encumbrances in the Capital Projects Fund, continuing appropriation or non-lapsing funds, and assets legally restricted for other purposes. A summary of the nature and purpose of these reserves by fund type at June 30, 1988 follows:

1. General Fund:

Reserved

Non-Lapsing or Restricted by Law:	
Budget Deficit Reserve	$ 43,914,000
Legislature	930,000
Tax Commission	1,739,000
Economic and Industrial Development	3,204,000
Health	1,112,000
Social Services	2,302,000
Business Regulation	508,000
Mineral Lease	4,825,000
Parks and Recreation	1,027,000
Flood Relief	3,679,000
West Desert Pumping	854,000
Wildlife Resources	3,170,000
Oil Overcharge and Energy	18,071,000
Financial Institutions	4,984,000
Employment Security	3,988,000
Miscellaneous	8,434,000
Loan Programs and Advances:	
Agriculture	17,217,000
Water Pollution Control	16,216,000
Safe Drinking Water	8,370,000
Water Security Enhancement	
- Pollution	12,853,000
- Drinking	7,784,000
Advance to Internal Service Funds	8,764,000
Total	$ 173,945,000

2. Special Revenue Funds:

Reserved (Non-Lapsing or Restricted By Law)

Uniform School Fund:	
Custom Fit Training	$ 1,340,000
Minimum School Program	5,718,000
State Office of Education	3,210,000
Area Vocational Centers	2,134,000
Miscellaneous Programs	307,000
School Building Loans Programs	1,700,000
Total	14,409,000
Transportation Fund:	
Aeronautical Programs	1,517,000
Sidewalk Construction	838,000
Miscellaneous Programs	31,000
Total	2,386,000
Total Special Revenue Funds	$ 16,795,000

3. Capital Projects Fund:

The amount reserved of $27,050,000 represents encumbrances outstanding on various capital project balances of $26,740,000 and $310,000 which is reserved under law for planning construction projects. (See Note R)

4. Trust and Agency Funds:

The $3,091,509,000 reserved for the Trust and Agency Funds represents:

Pension Benefits	$ 2,879,666,000
Non-Expendable Trust:	
Land Board	29,657,000
Expendable Trust:	
Unemployment Compensation Benefits	166,201,000
Indian Affairs	9,772,000
Restricted Various	6,213,000
Total	$ 3,091,509,000

NOTE M. DEFICIT FUND BALANCES/RETAINED EARNINGS

Funds reporting a deficit fund balance or retained earnings position at June 30, 1988 are:

Enterprise Funds:	
Blind Industries	$ 175,000
Technology Finance Corporation	$ 841,000
Internal Service Funds:	
Surplus Property	$ 129,000
Prison Services	$ 3,914,000
Risk Management	$ 4,793,000
Expendable Trust Fund:	
Employers' Reinsurance	$ 70,703,000

The deficit retained earnings in the Blind Industries and Surplus Property will be funded through increases in charges for products. The Technology Finance Corporation deficit retained earnings is expected to be funded through increased grant revenues. The deficit retained earnings balance of the DSS - Prison Services is to be funded from future appropriations from the Utah Correctional Industries Enterprise Fund or from the General Fund. The deficit in Risk Management will be funded through increases in insurance premium billings to various State and local agencies.

The deficit in the Employers' Reinsurance Fund represents an actuarial estimate of the unfunded portion of future payments on claims incurred prior to June 30, 1988. The 1988 State Legislature took actions to increase funding and modify benefits to keep the current revenues sufficient to cover current expenses and start to build assets to cover the reserves.

NOTE N. OPERATING AND RESIDUAL EQUITY TRANSFERS

Operating transfers between funds occur when a fund receiving revenues transfers resources to a fund where the resources are to be expended. The transfers only occur after being legally authorized by the Legislature through statute or an "Appropriation Act." For the fiscal year ended June 30, 1988, the operating transfers by fund (expressed in thousands) are as follows:

		Special Revenue Funds							
	General Fund	Uniform School Fund	Transportation Fund	Capital Projects Fund	Debt Service Fund	Internal Service Funds	Enterprise Funds	College and University Funds	Total Transfers Out
Transfers Out:									
General Fund	$ —	$ 73,534	$ 2,942	$ 13,637	$ 51,130	$ 971	$ 1,393	$ 259,330	$ 402,937
Special Revenue Funds:									
Uniform School Fund	14,681	—	—	368	—	—	—	—	15,049
Transportation Fund	33,197	—	—	94	—	—	—	—	33,291
Capital Projects Fund	149	—	—	—	—	—	—	—	149
Enterprise Funds	15,929	—	—	—	—	34	—	—	15,963
Internal Service Funds	1,353	—	205	—	—	—	—	—	1,558
Trust and Agency Funds	9,909	—	—	—	—	—	—	—	9,909
Total Transfers In	$ 75,218	$ 73,534	$ 3,147	$ 14,099	$ 51,130	$ 1,005	$ 1,393	$ 259,330	$ 478,856

Residual Equity transfers occur when non-routine transfers are made from one fund to another. These transfers are usually made to provide funds for working capital. In addition to fund equity transfers, fixed assets with $55,766,000 of original cost and $26,856,000 of estimated accumulated depreciation were transferred from the General Fixed Asset Account Group to the Internal Service Funds, resulting in a contributed capital increase in the Internal Service Funds of $28,910,000. For the fiscal year ended June 30, 1988, the residual equity transfers by fund (expressed in thousands) are as follows:

	General Fund	Enterprise Funds	Internal Service Funds	Total Transfers Out
Transfers Out:				
General Fund	$ —	$ 816	$ 4,566	$ 5,382
Transportation Fund	—	—	3,955	3,955
Enterprise Funds	470	—	66	536
General Fixed Assets Account Group	—	—	28,910	28,910
Total Transfers In	$ 470	$ 816	$ 37,497	$ 38,783

NOTE O. EXTRAORDINARY LOSSES

Through early extinguishment of debt by defeasance, the College and University funds have recognized a net book loss of $1,518,000. Bonds of $7,850,000 were defeased with the net proceeds of new bonds and existing bond reserves of $9,368,000, resulting in the book loss.

Although the defeasance resulted in the recognition of an accounting loss for the year ended June 30, 1988, these refundings will result in a reduction of the aggregate debt service payments, net of additional cash paid, of $286,000 over the next 17 to 20 years. Also, an economic gain (the difference between the present value of the debt service payments on the old and new debt) of approximately $254,000 will result from the refunding.

NOTE P. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The State of Utah has seven enterprise funds which are described below:

1. Alcoholic Beverage Control - The Alcoholic Beverage Control Commission administers the Alcoholic Beverage Control Act with financing from operations which include the sale of liquor products.
2. Utah Housing Finance Agency - The Agency issues bonds to provide capital for housing for low and moderate income families. Operations are financed from bond proceeds and from mortgage and investment interest and fees.
3. Workers' Compensation Fund - The Fund provides workers' compensation insurance to private and public employers and is financed through employer premiums.
4. Student Assistance Programs - This is made up of two separate student assistance programs administered by the Utah State Board of Regents. The two programs are the Utah Higher Education Assistance Authority which guarantees repayment of eligible student loans and the Student Loan Purchase Program which makes loans to and purchases loans of eligible students. The programs are funded from loan fees, interest and federal allowances.
5. Utah Industries for the Blind - The Industries for the Blind is a sheltered workshop that provides employment, evaluation, and training for adults who are blind or visually impaired. They are financed through sales of products and from State appropriated funds.
6. Utah Technology Finance Corporation - The Corporation is a corporate body created to encourage and assist in the development of technological and small businesses in the State. The corporation is operated from grants, earnings, and State appropriations.
7. Utah Correctional Industries - The Correctional Industries provides employment for prisoners at the Utah State Prison. It is operated through the charges for services and the sale of goods produced.

Segment information for the fiscal year ended June 30, 1988, is as follows (expressed in thousands):

Year Ended June 30, 1988

	Alcoholic Beverage Control	Housing Finance Agency	Workers' Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Correctional Industries	Total
Operating Revenue	$ 65,271	$ 82,039	$ 58,399	$ 22,215	$ 742	$ 132	$ 5,413	$ 234,211
Operating Expenses:								
Depreciation	468	27	171	122	12	5	111	916
Other	48,888	79,216	48,963	16,661	803	1,737	5,271	201,539
Operating Income	15,915	2,796	9,265	5,432	(73)	(1,610)	31	31,756
Operating Transfers In (Out)	(15,918)	0	(11)	0	0	1,393	(34)	(14,570)
Non-Operating Income	3	0	11,683	0	0	0	3	11,689
Net Income (Loss)	$ 0	$ 2,796	$ 20,937	$ 5,432	$ (73)	$ (217)	$ 0	$ 28,875
Current Assets	$ 11,057	$ 276,545	$ 24,909	$ 37,348	$ 605	$ 2,431	$ 3,048	$ 355,943
Current Liabilities	10,908	75,990	48,541	14,935	422	537	532	151,865
Net Working Capital	$ 149	$ 200,555	$ (23,632)	$ 22,413	$ 183	$ 1,894	$ 2,516	$ 204,078
Total Assets	$ 16,312	$ 1,081,974	$ 174,536	$ 213,610	$ 660	$ 2,471	$ 3,967	$ 1,493,530
Total Liabilities	11,395	1,007,548	139,423	171,790	422	537	566	1,331,681
Fund Equity	$ 4,917	$ 74,426	$ 35,113	$ 41,820	$ 238	$ 1,934	$ 3,401	$ 161,849
Long-Term Debt	$ 487	$ 931,558	$ 90,882	$ 156,855	$ 0	$ 0	$ 34	$ 1,179,816
Capital Contributions	$ 346	$ 0	$ 0	$ 0	$ 17	$ 0	$ (66)	$ 297
Fixed Assets July 1, 1987	$ 7,115	$ 632	$ 2,606	$ 600	$ 132	$ 29	$ 1,216	$ 12,330
Additions	1,356	14	121	0	18	1	315	1,825
Deletions	401	0	22	511	0	0	104	1,038
Fixed Assets June 30, 1988	$ 8,070	$ 646	$ 2,705	$ 89	$ 150	$ 30	$ 1,427	$ 13,117

NOTE Q. LITIGATION, CONTINGENCIES AND COMMITMENTS

The State is named in several legal proceedings where significant monetary damages are sought. The amounts sought range from $100,000 to $30 million and total $66 million. The State is vigorously contesting these matters but as of this date it is not possible to ascertain the outcome of these proceedings nor to estimate the possible effects an adverse decision might have on the future expenditures of State revenues. In the opinion of the Attorney General the amounts stated and claimed in most cases are unrealistic and excessive.

In addition, eight consolidated cases have been reactivated that were originally filed in 1979. The cases involve oil companies claiming that all taxes collected on their oil and gas leases located on the Navajo Indian Reservation in San Juan County are invalid for a variety of statutory and constitutional reasons. Disputed amounts are estimated at $50 million. In a related case, the Ute Indian tribe has filed a case to collect State taxes on mineral production by non-Indian operators on Indian land. The amount sought is $20 million. As of this date it is not possible for management or the Attorney General's Office to ascertain the outcome of the cases.

Financial and compliance audits (Single Audit) of Federal grants, contracts and agreements were conducted under the provisions of the Federal Office of Management and Budget's Circular A-128, *Audits of State and Local Governments* for the fiscal years ended June 30, 1987, 1986, 1985 and 1984. The audits included all State entities except for the colleges and universities and, in 1984, the student loan programs. As a result of the audits, a total of $1.3 million of federal expenditures is facing disallowance. These costs will be contested with the federal agency involved and management estimates the liability to be less than the questioned amount. Other audit findings on non-compliance cannot be estimated as to the potential liability. The Single Audit for the fiscal year ended June 30, 1988 is near completion and management expects proposed disallowances to be immaterial.

Utah currently faces potential disallowances of federal funds for medicaid, emergency management, food stamps and aid to families with dependent children. The total amount in question is $19.4 million as a result of federal audits and state reviews. Additional audits and reviews are pending. All amounts are being or will be contested by the State. Management is unable to determine the effect on the State, if any, of any resulting liabilities.

Notes to the Combined Financial Statements

The State is totally self-insured against liability claims and up to $2.5 million in property claims. According to an actuarial study, $12.65 million exists as incurred but unfiled or unpaid claims. This amount is reported as a liability of the Administrative Services Risk Management Fund (Internal Service). Also, the University of Utah Medical Center and School of Medicine have established self insurance trusts for malpractice liability claims. A liability has been recorded and as of June 30, 1988, the balances in the trust funds were adequate to cover the claims incurred.

Depositors in five failed thrift and loan companies have filed a class action suit which includes the State as a defendant. The attorneys for the State felt the State had an adequate defense to resist the legal action. Therefore, no liability for the action was recorded at June 30, 1988. Subsequent to the balance sheet date, the Legislature took action to provide money for depositors' losses. This action was taken to improve public confidence in thrift institutions and was considered a public purpose in the best interest of the citizens of the State. Appropriations were made from fiscal year 1989 revenues of $25,000,000 to purchase assets of the thrifts and provide funding for depositor losses. To minimize the cost to the State, the assets acquired will be liquidated and the proceeds will be kept by the State. The action is valid if approved by the depositors and the courts. At this point, it appears the State will have no further liability exposure toward the thrift depositors.

The State Retirement Board (Pension Trust Fund) is involved in three major legal proceedings. The cases involve an employer, and current and former employees who are seeking refunds of contributions made. Because of legislative action and lower court judgments in favor of the Retirement Board, the Board anticipates conclusion of the lawsuits in favor of the Retirement Systems.

The State Retirement System (Pension Trust) Investment Fund has, at the balance sheet date, committed to fund certain venture capital partnerships and real estate projects for an amount of $172,000,000. Funding of $48,917,000 has been provided leaving an unfunded commitment of $123,083,000.

As of June 30, 1988, the Utah Housing Finance Agency (Enterprise Fund) is committed to purchase mortgages under the Single-Family Mortgage Purchase Program in the amount of $89,784,386.

At June 30, 1988, the Internal Service Funds had loan and grant commitments of approximately $17,279,000 ($9,153,000 grants, $8,126,000 loans).

NOTE R. CAPITAL PROJECTS

The State had long-term construction project commitments totaling $27,050,000 at June 30, 1988. The following construction projects have remaining commitments and represent reservations of fund balance in the Capital Projects Fund:

Project #	Description	Remaining Construction Commitment
86021	Utah Valley Community College - Science Building	$ 5,368,000
86055	Utah State University - Education Building	4,722,000
85198	University of Utah - Hospital Parking Structure	2,906,000
88005	Gunnison Regional Prison - Sitework Pkg. #1	1,836,000
85058	University of Utah - Performing Arts Building	1,401,000
85018	Utah State University - Plant Industry Building Remodel	1,094,000
86027	Ogden Area Vocational Center - Business Building	771,000
86018	Ogden Juvenile Court Building	742,000
86030	Bridgerland Area Vocational Center - Remodel Phase IV	540,000
—	All Others	7,670,000
	Total Commitments	$ 27,050,000

NOTE S. VACATION LEAVE AND SICK LEAVE

Employees annual leave is accrued at a rate of four hours every two weeks for the first five years of employment, up to a rate of six hours every two weeks after ten years of employment. There is no requirement to use annual leave, but a maximum of 40 days may be carried forward at the beginning of each calendar year. Compensatory time can be earned for overtime. At termination, employees are paid for their unused annual leave and at the discretion of their department, they may be paid for unused compensatory time. The total liability for annual and compensatory time at June 30, 1988, was $33,400,000 of which $2,317,000 is reported in the Proprietary Funds and $31,083,000 is reported in the General Long-Term Obligation Account Group.

Employees earn sick leave at a rate of four hours for each two week period with no limit to the amount that can be accumulated. The State does not reimburse employees for unused sick leave upon termination except for employees eligible for retirement. At retirement, the State is liable for up to 25% of the employee's accumulated sick leave and for premiums to maintain health and life insurance coverage for up to five years or until the employee turns age 65, whichever comes first. A liability of $7,001,000 has been reported in the General Long-Term Obligation Account Group for the future health and life insurance coverage for retired employees.

College and universities' vacation and sick leave earnings policies vary for each institution. Vacation is expensed when earned and sick leave is expensed when used. At June 30, 1988 the total liability for unused vacation in the College and University Fund was $11,969,000.

NOTE T. SUBSEQUENT EVENTS

On July 29, 1988, the Student Assistance Program (Enterprise Funds) issued its tax exempt Series 1988 A, B, and C Student Loan Revenue Bonds in a total principal amount of $170,000,000. Of this total, $100,000,000 consists of fixed rate bonds with rates varying from 6.5% to 7.6% and the remaining $70,000,000 consists of Variable Rate Demand Bonds. Approximately $140,000,000 of the total is being used to refinance the portfolio of student loans in the Student Loan Marketing Association Note Fund and approximately $25,000,000 will be combined with future collections on the existing portfolio and used to acquire new loans.

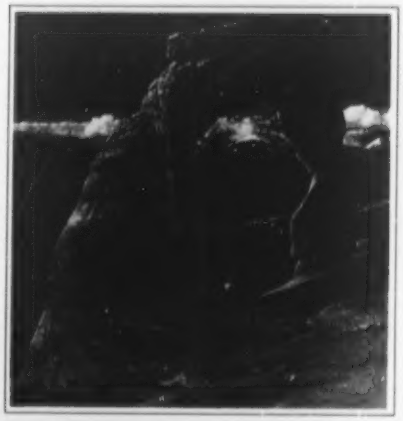
On August 19, 1988, the Program prepaid $138,700,000 on its note payable to the Student Loan Marketing Association resulting in a 0.5% penalty which amounted to $693,500. This leaves a principal balance on the note of $1,000,000.

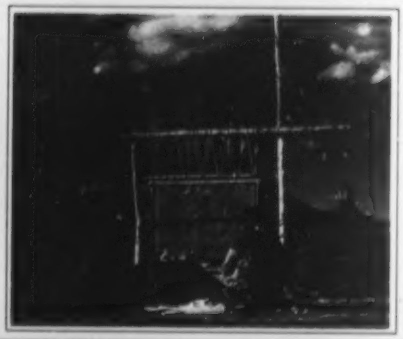
Utah

A pretty, great state.

CANYONLANDS

Whatever view. . .rafting on the Colorado, hang gliding over Dead Horse Point, standing on a sandstone pinnacle. . . Canyonlands is one of the world's most amazing art masterpieces.





GENERAL FUND

The General Fund is maintained to account for all the governmental financial resources and transactions not accounted for in another fund.

Schedule of Revenues - Budget and Actual - General Fund - Detail by Source

For the Fiscal Year Ended June 30, 1988 (Expressed in Thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
Unrestricted Revenues:			
Sales Tax	$ 622,500	$ 616,228	$ (6,272)
Licenses, Fees and Permits:			
Public Service Commission Fees	3,703	3,635	(68)
Insurance Fees	2,060	4,314	2,254
Circuit Court Collections - Civil	925	1,271	346
Other Licenses, Fees and Permits	5,832	7,886	2,054
Interest on Investments	6,530	10,685	4,155
Miscellaneous Taxes and Other:			
Beer Tax	8,200	7,560	(640)
Cigarette and Tobacco Tax	22,400	21,594	(806)
Inheritance Tax	2,000	3,443	1,443
Insurance Premium Tax	30,200	28,223	(1,977)
Mine Occupation Tax	26,400	29,156	2,756
Oil and Gas Conservation Tax	2,062	1,825	(237)
Taxpayer Rebates	(2,000)	(1,152)	848
Circuit Court Collections - Criminal Fees and Fines	7,348	6,894	(454)
Miscellaneous Other	40	221	181
Total Unrestricted Revenues	738,200	741,783	3,583
Restricted Revenues:			
Federal Contracts and Grants	444,048	444,048	0
Departmental Collections	82,520	81,597	(923)
Higher Education Dedicated Credits	69,514	69,514	0
Federal Mineral Lease	20,500	28,836	8,336
Interest on Investments	10,078	10,740	662
Miscellaneous	48,572	48,724	152
Total Restricted Revenues	675,232	683,459	8,227
Total General Fund Revenues	$ 1,413,432	1,425,242	$ 11,810
Intrafund Eliminations		(119,067)	
Net General Fund Revenues - GAAP Basis		$ 1,306,175	

Schedule of Expenditures - Detail - Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

Line Item #	Appropriation Line Item Description	Source of Funding: State Funds	Federal Funds	Restricted and Other Funds	Budget as Appropriated and Amended
	GENERAL GOVERNMENT				
	Legislature				
1	Senate	$ 664	$ —	$ —	$ 664
2	House	1,207	—	—	1,207
3	Printing	393	—	200	593
4	Research & General Counsel	1,863	—	—	1,863
5	Tax Recodification	113	—	—	113
—	NCSL Educational Grants	—	—	12	12
—	Data Retrieval	1	—	—	1
6	Fiscal Analyst	868	—	—	868
7	Auditor General	989	—	—	989
8	Conference of State Legislatures	51	—	—	51
11	Judicial Conduct Commission	24	—	—	24
23	Uniform State Laws	7	—	—	7
10	Constitutional Revision Commission	77	—	—	77
9	Council of State Governments	44	—	—	44
	Total Legislature	$ 6,301	$ 0	$ 212	$ 6,513
	State Courts				
26	Judicial Council	$ 27,571	$ 33	$ 323	$ 27,927
27	Juror and Witness Fees	815	—	—	815
	Total State Courts	$ 28,386	$ 33	$ 323	$ 28,742
	Elected Officials				
25	State Treasurer	$ 404	$ —	$ 365	$ 769
12	GOV - Administrative Office	1,141	—	6	1,147
14	GOV - Planning and Budget	1,569	36	33	1,638
—	GOV - Super Collider	16	—	—	16
—	GOV - NASBO & Governor's Conference	45	—	8	53
13	GOV - High Level Nuclear Waste	24	186	7	217
16	GOV - Criminal & Juvenile Justice	397	1,957	—	2,354
15	GOV - Emergency & Contingency Fund	52	—	—	52
18	Lt. Governor	244	—	2	246
—	Lt. Governor - Constitution Bicentennial	92	—	—	92
19	Attorney General	3,779	—	1,835	5,614
—	AG - Reimbursed Expenses	—	—	86	86
—	AG - Narcotics Enforcement	—	159	—	159
20	AG - Anti-Trust Prosecutions	—	—	85	85
21	AG - Contractual Attorney Fees	75	—	1,760	1,835
22	AG - Statewide Prosecutors	—	—	80	80
—	AG - Miscellaneous Claims	458	—	—	458
—	AG - Economic Crime Unit	11	—	(3)	8
—	AG - Lien and Judgment Execution	—	—	73	73
—	AG - Tax Litigation	10	—	—	10
24	State Auditor	1,437	—	232	1,669
	Total Elected Officials	$ 9,754	$ 2,338	$ 4,569	$ 16,661

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 567	$ —	$ —	$ 97	1
981	—	—	226	2
508	—	—	85	3
1,538	—	—	325	4
77	—	—	36	5
3	—	—	9	—
—	—	—	1	—
830	—	—	38	6
916	—	—	73	7
51	—	—	—	8
19	—	—	5	11
7	—	—	—	23
42	—	—	35	10
44	—	—	—	9
$ 5,583	$ 0	$ 0	$ 930	
$ 27,913	$ 14	$ —	$ —	26
763	52	—	—	27
$ 28,676	$ 66	$ 0	$ 0	
$ 744	$ 25	$ —	$ —	25
1,118	29	—	—	12
1,612	6	—	20	14
16	—	—	—	—
21	32	—	—	—
217	—	—	—	13
2,337	17	—	—	16
—	52	—	—	15
239	7	—	—	18
56	—	—	36	—
5,607	7	—	—	19
86	—	—	—	—
159	—	—	—	—
85	—	—	—	20
1,835	—	—	—	21
80	—	—	—	22
458	—	—	—	—
—	—	—	8	—
—	—	—	73	—
10	—	—	—	—
1,618	51	—	—	24
$ 16,298	$ 226	$ 0	$ 137	

Schedule of Expenditures - Detail - Budget and Actual - General Fund

Continued

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Source of Funding: State Funds	Source of Funding: Federal Funds	Source of Funding: Restricted and Other Funds	Budget as Appropriated and Amended
GENERAL GOVERNMENT (Cont.)					
Government Operations					
82	Department of Administrative Services	$ 309	$ —	$ —	$ 309
90	DAS - Administrative Rules	167	—	—	167
83	DAS - Facilities Const. & Management	1,565	—	—	1,565
84	DAS/DFCM - Facilities Management	2,666	—	—	2,666
—	DAS/DFCM - Agency Reorganization	190	—	—	190
85	DAS - Finance	3,990	—	211	4,201
86	DAS - Mandated Expenditures	3,258	—	78	3,336
87	DAS - Personnel Management	1,129	—	68	1,197
88	DAS - Purchasing	707	—	77	784
33	DAS - Crime Victim Reparation	—	4	191	195
89	DAS - Archives	1,138	—	27	1,165
91	Tax Commission - Administration	24,006	212	5,811	30,029
92	TAX - License Plates	—	—	1,885	1,885
—	TAX - Litigation Account	850	—	—	850
93	TAX - Liquor Profits Distribution	4,089	—	—	4,089
55	Employment Security	—	33,296	2,597	35,893
—	DAS - Citizens Advisory Council	—	—	7	7
—	DAS - 1988 Lease Refunding	—	—	2,224	2,224
—	DAS - Early Retirement Savings	5,373	—	474	5,847
95	State Retirement Office	—	—	7,949	7,949
97	SRO - Legislative & Governor's Pension	86	—	—	86
96	SRO - Group Insurance	—	—	50	50
94	Personnel Review Board	88	—	—	88
	Total Government Operations	49,611	33,512	21,649	104,772
	Total General Government	$ 94,052	$ 35,883	$ 26,753	$ 156,688
	Intrafund Eliminations				
	Net General Government				
PUBLIC SAFETY					
224	DPS - Emergency Management	$ 365	$ 3,805	$ 12	$ 4,182
225	DPS - Commissioner's Office	1,409	—	760	2,169
227	DPS - Safety Promotion	100	—	—	100
229	DPS - Officer Standards & Trng.	—	20	1,016	1,036
230	DPS - Law Enforcement Services	1,369	—	54	1,423
228	DPS - Narcotic & Liquor Law Enforcement	1,701	46	253	2,000
231	DPS - Driver License	6,278	110	59	6,447
226	DPS - Highway Patrol	16,937	200	884	18,021
232	DPS - Highway Safety	81	945	—	1,026
—	DPS - Commercial Driver Training	—	—	2	2
233	DPS - Medicaid Fraud	137	392	8	537
235	DPS - Communications	2,563	—	317	2,880
234	DPS - State Fire Marshal	471	—	25	496
236	Utah National Guard	1,620	1,647	19	3,286
	Total Public Safety	$ 33,031	$ 7,165	$ 3,409	$ 43,605
	Intrafund Eliminations				
	Net Public Safety				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 308	$ 1	$ —	$ —	82
167	—	—	—	90
1,560	5	—	—	83
2,649	17	—	—	84
41	—	—	149	—
3,873	—	—	328	85
2,947	364	25	—	86
1,197	—	—	—	87
781	3	—	—	88
177	—	18	—	33
1,163	2	—	—	89
29,033	—	—	996	91
1,142	—	—	743	92
568	—	—	282	—
4,089	—	—	—	93
35,174	719	—	—	55
4	—	3	—	—
2,224	—	—	—	—
5,847	—	—	—	—
7,561	—	388	—	95
86	—	—	—	97
50	—	—	—	96
86	2	—	—	94
100,727	1,113	434	2,498	
151,284	$ 1,405	$ 434	$ 3,565	
(2,061)				
$ 149,223				
$ 4,182	$ —	$ —	$ —	224
1,569	11	—	589	225
100	—	—	—	227
1,016	—	20	—	229
1,422	1	—	—	230
1,945	39	—	16	228
6,418	29	—	—	231
17,868	153	—	—	226
1,026	—	—	—	232
—	—	—	2	—
537	—	—	—	233
2,868	12	—	—	235
476	10	—	10	234
3,272	14	—	—	236
42,699	$ 269	$ 20	$ 617	
(1,021)				
$ 41,678				

Schedule of Expenditures - Detail - Budget and Actual - General Fund

Continued

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Source of Funding			Budget as Appropriated and Amended
		State Funds	Federal Funds	Restricted and Other Funds	
SOCIAL SERVICES					
208	Department of Social Services	$ 5,799	$ 6,791	$ 5,297	$ 17,887
209	Community Operations	17,824	18,687	6,113	42,624
210	Mental Health	23,196	2,132	6,528	31,856
211	Alcoholism & Drugs	5,805	2,769	504	9,078
212	Public Assistance	27,035	61,930	2,077	91,042
213	Services to the Handicapped	15,901	2,362	22,577	40,840
214	Recovery Services	—	7,177	5,562	12,739
215	Family Services	4,844	7,784	921	13,549
32	Youth Corrections	14,365	72	729	15,166
216	Aging and Adult Services	2,643	5,415	99	8,157
—	Commodities	—	57,160	—	57,160
	Total Social Services	$ 117,412	$ 172,279	$ 50,407	$ 340,098
	Intrafund Eliminations				
	Net Social Services				
CORRECTIONS					
28	Corrections Administration	$ 51,377	$ 52	$ 1,748	$ 53,177
30	DOC - Jail Reimbursement	600	—	—	600
29	DOC - Board of Pardons	655	—	—	655
	Total Corrections	$ 52,632	$ 52	$ 1,748	$ 54,432
	Intrafund Eliminations				
	Net Corrections				
HEALTH					
217	Department of Health	$ 4,491	$ 341	$ 1,837	$ 6,669
218	Environmental Health	3,578	10,977	1,394	15,949
219	Community Health Services	3,903	1,631	2,264	7,798
220	Family Health Services	3,582	21,981	1,161	26,724
221	Health Care Financing	4,954	10,756	2,474	18,184
222	Medical Assistance	45,664	148,010	13,081	206,755
—	Water Security Enhancement	—	—	187	187
	Total Health	$ 66,172	$ 193,696	$ 22,398	$ 282,266
	Intrafund Eliminations				
	Net Health				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 16,165	$ 64	$ —	$ 1,658	208
41,968	12	—	644	209
31,832	24	—	—	210
8,885	5	188	—	211
89,972	1,070	—	—	212
40,547	9	—	284	213
12,739	—	—	—	214
13,101	336	112	—	215
14,456	687	—	23	32
8,115	42	—	—	216
57,160	—	—	—	—
334,940	$ 2,249	$ 300	$ 2,609	
(33,514)				
$ 301,426				
$ 51,384	$ 1,380	$ —	$ 413	28
600	—	—	—	30
643	12	—	—	29
52,627	$ 1,392	$ 0	$ 413	
(62)				
$ 52,565				
$ 6,508	$ 148	$ —	$ 13	217
15,657	—	—	292	218
7,317	3	—	478	219
25,612	—	—	1,112	220
18,114	10	—	60	221
207,014	—	—	(259)	222
187	—	—	—	—
280,409	$ 161	$ 0	$ 1,696	
(7,791)				
$ 272,618				

Schedule of Expenditures - Detail - Budget and Actual - General Fund

Continued

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Source of Funding			Budget as Appropriated and Amended
		State Funds	Federal Funds	Restricted and Other Funds	
HIGHER EDUCATION					
169	Board of Regents	$ 1,322	$ 58	$ 4	$ 1,384
—	REG - Student Incentive Grants	—	568	17	585
172	REG - Computer Services & Uniform Acct.	16	—	—	16
171	REG - Intercollegiate Assembly	3	—	—	3
174	REG - Statewide T.V.	158	—	—	158
173	REG - Student Loans	312	—	—	312
170	REG - Interstate Coop.	1,032	—	15	1,047
175	REG - Normal Scholarships	706	—	1	707
—	REG - Title II Funds	18	186	1	205
—	REG - Teacher Scholarships	1	110	3	114
108	U of U - Education & General	94,107	—	28,608	122,715
109	U of U - Ed. Disadvantaged	561	—	—	561
110	U of U - College of Medicine	11,317	—	2,593	13,910
111	U of U - University Hospital	2,723	—	—	2,723
112	U of U - Regional Dental Education	381	—	41	422
113	U of U - Center for Economic Dev.	77	—	—	77
114	U of U - Research & Trng. Grants	2,133	—	—	2,133
115	U of U - Seismograph Stations	208	—	—	208
116	U of U - Museum of Natural History	230	—	—	230
117	U of U - State Arboretum	64	—	—	64
120	U of U - KUED County Translators	1,874	—	—	1,874
118	U of U - Scientific Instrumentation	—	—	312	312
—	U of U - Miners Hospital	—	—	130	130
122	U of U - Land Grant Interest	—	—	222	222
119	U of U - Coal Research	—	—	700	700
121	U of U - Mineral Lease Research	—	—	1,802	1,802
123	USU - Education & General	46,089	50	12,277	58,416
124	USU - Ed. Disadvantaged	88	—	—	88
125	USU - Water Research Lab.	849	—	638	1,487
127	USU - Research & Trng. Grants	680	—	—	680
126	USU - Ecology Center	533	—	—	533
135	USU - Agriculture Experiment Station	5,927	—	261	6,188
136	USU - Cooperative Extension Service	5,149	—	66	5,215
129	USU - Uintah Basin CEC	556	—	278	834
128	USU - Southeastern Utah CEC	272	—	92	364
130	USU - Man & His Bread Museum	93	—	—	93
131	USU - Coop. Mast. of Ed. Degree/SUSC	73	—	73	146
133	USU - Production Center	231	—	—	231
138	USU - Federal Vocational Education	—	77	—	77
137	USU - Land Grant Interest	—	—	116	116
134	USU - Mineral Lease Research	—	—	967	967
139	Weber - Education & General	29,840	—	10,106	39,946
140	Weber - Ed. Disadvantaged	196	—	—	196
141	Weber - Computer Systems Modification	—	—	20	20
142	Weber - Cooperative Nursing USU	196	—	13	209
143	Weber - Cooperative Nursing SLCC	290	—	24	314
144	Weber - Cooperative Nursing SUSC/Dixie	192	—	10	202
145	Weber - Federal Vocational Education	—	321	—	321
146	SUSC - Education & General	9,120	42	2,381	11,543
147	SUSC - Ed. Disadvantaged	47	—	—	47
148	SUSC - Coop. Mast. of Ed. Degree/USU	29	—	—	29
149	SUSC - Shakespearean Festival	13	—	—	13
150	SUSC - Federal Vocational Education	—	19	—	19

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 1,384	$ —	$ —	$ —	169
585	—	—	—	—
16	—	—	—	172
3	—	—	—	171
158	—	—	—	174
128	—	—	184	173
967	—	—	80	170
610	—	—	97	175
194	—	—	11	—
99	—	—	15	—
122,715	—	—	—	108
561	—	—	—	109
13,910	—	—	—	110
2,723	—	—	—	111
422	—	—	—	112
77	—	—	—	113
2,133	—	—	—	114
208	—	—	—	115
230	—	—	—	116
64	—	—	—	117
1,874	—	—	—	120
312	—	—	—	118
130	—	—	—	—
222	—	—	—	122
700	—	—	—	119
1,802	—	—	—	121
58,416	—	—	—	123
88	—	—	—	124
1,487	—	—	—	125
680	—	—	—	127
533	—	—	—	126
6,188	—	—	—	135
5,215	—	—	—	136
834	—	—	—	129
364	—	—	—	128
93	—	—	—	130
146	—	—	—	131
231	—	—	—	133
77	—	—	—	138
116	—	—	—	137
967	—	—	—	134
39,946	—	—	—	139
196	—	—	—	140
20	—	—	—	141
209	—	—	—	142
314	—	—	—	143
202	—	—	—	144
321	—	—	—	145
11,543	—	—	—	146
47	—	—	—	147
29	—	—	—	148
13	—	—	—	149
19	—	—	—	150

Schedule of Expenditures - Detail - Budget and Actual - General Fund

Continued

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Source of Funding			Budget as Appropriated and Amended
		State Funds	Federal Funds	Restricted and Other Funds	
HIGHER EDUCATION (Cont.)					
158	CEU - Education and General	$ 4,147	$ —	$ 737	$ 4,884
159	CEU - Ed. Disadvantaged	99	—	—	99
160	CEU - Prehistoric Museum	35	—	—	35
161	CEU - San Juan Center	388	—	190	578
162	CEU - Federal Vocational Education	—	—	443	443
154	Dixie - Education & General	5,454	—	1,815	7,269
155	Dixie - Ed. Disadvantaged	15	—	—	15
156	Dixie - Zion Park Amphitheatre	35	—	9	44
157	Dixie - Federal Vocational Education	—	—	274	274
151	Snow College - Education & General	5,204	—	1,163	6,367
152	Snow College - Ed. Disadvantaged	25	—	—	25
153	Snow College - Federal Vocational Ed.	—	—	—	—
166	SLCC - Education & General	13,077	—	6,203	19,280
167	SLCC - Ed. Disadvantaged	65	—	—	65
168	SLCC - Federal Vocational Education	—	15	—	15
163	UVCC - Education & General	11,162	—	5,559	16,721
164	UVCC - Ed. Disadvantaged	51	—	—	51
165	UVCC - Federal Vocational Education	—	—	—	—
	Total Higher Education	$ 257,463	$ 1,446	$ 78,164	$ 337,073
	Appropriations Transferred to Colleges and Universities				$ 259,330
	Intrafund Eliminations				
	Net Higher Education				
NATURAL RESOURCES					
176	Department of Natural Resources	$ 1,079	$ —	$ —	$ 1,079
178	DNR - Rent, Utilities, Fixtures	1,324	—	—	1,324
195	DNR - Middle Fork Ogden River	1,162	—	—	1,162
179	DNR - State Lands & Forestry	1,147	169	2,851	4,167
180	DNR - Oil, Gas, & Mining	1,646	2,223	247	4,116
181	DNR - Wildlife Resources	1,261	2,205	15,717	19,183
194	DNR/DWR - Capital Development	—	2,210	1,290	3,500
183	DNR/DWR - Contributed Research	—	—	67	67
182	DNR/DWR - Cooperative Studies	—	522	34	556
186	DNR - Parks & Recreation	5,670	553	4,660	10,883
196	DNR/DPR - Capital Development	493	—	1,738	2,231
187	DNR - Geological & Mineral Survey	1,271	188	929	2,388
188	DNR - Water Resources	1,884	—	1,514	3,398
—	DNR - West Desert Pumping	2,500	—	—	2,500
189	DNR - Water Rights	3,552	3	300	3,855
190	DNR - Utah Energy Office	378	1,901	2,471	4,750
	Total Natural Resources	$ 23,367	$ 9,974	$ 31,818	$ 65,159
	Intrafund Eliminations				
	Net Natural Resources				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 4,884	$ —	$ —	$ —	158
99	—	—	—	159
35	—	—	—	160
578	—	—	—	161
443	—	—	—	162
7,269	—	—	—	154
15	—	—	—	155
44	—	—	—	156
274	—	—	—	157
6,367	—	—	—	151
25	—	—	—	152
—	—	—	—	153
19,280	—	—	—	166
65	—	—	—	167
15	—	—	—	168
16,721	—	—	—	163
51	—	—	—	164
—	—	—	—	165
336,686	$ 0	$ 0	$ 387	
(259,330)				
(73,213)				
$ 4,143				
$ 1,022	$ 57	$ —	$ —	176
1,322	2	—	—	178
1,144	18	—	—	195
3,315	—	596	256	179
3,628	249	—	239	180
17,458	—	1,173	552	181
2,651	—	364	485	194
67	—	—	—	183
556	—	—	—	182
10,727	1	25	130	186
1,204	—	—	1,027	196
2,194	—	—	194	187
2,981	1	163	253	188
1,646	—	—	854	—
3,791	64	—	—	189
4,716	—	—	34	190
58,422	$ 392	$ 2,321	$ 4,024	
(765)				
$ 57,657				

Schedule of Expenditures - Detail - Budget and Actual - General Fund

Continued

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Source of Funding: State Funds	Federal Funds	Restricted and Other Funds	Budget as Appropriated and Amended
BUSINESS, LABOR & AGRICULTURE					
66	AGR - Building Maintenance	$ 125	$ —	$ —	$ 125
36	AGR - Brand Inspection	244	—	307	551
37	AGR - Predatory Animal Control	344	—	357	701
34	Department of Agriculture	3,164	521	309	3,994
35	AGR - Marketing & Development	607	17	133	757
43	AGR - T.B. and Bangs	—	—	10	10
38	AGR - Auction Market Veterinarian	—	—	46	46
45	AGR - Insect Infestation	581	—	28	609
39	AGR - Grain Inspection	—	—	276	276
41	AGR - Pesticide	—	110	—	110
42	AGR - Sheep Promotion	—	—	50	50
40	AGR - Soil Conservation Commission	61	—	—	61
44	AGR - Non Point Pollution	3	(4)	91	90
57	Industrial Commission	1,980	1,034	226	3,240
63	IC - Building Maintenance	91	—	—	91
48	DBR - Recreation Vehicle Standards	—	—	213	213
49	DBR - Real Estate Education	—	—	93	93
51	DBR - Division of Public Utilities	1,242	44	2,071	3,357
47	Department of Business Regulation	3,660	—	286	3,946
52	DBR/DPU - Professional Services	310	—	(16)	294
53	DBR - Committee on Consumer Services	294	—	—	294
54	DBR/CCS - Professional Services	347	—	—	347
61	DBR - Building Maintenance	125	—	7	132
56	Financial Institutions	—	—	1,438	1,438
62	FI - Building Maintenance	—	—	27	27
—	FI - Thrifts	—	—	183	183
64	ID - Building Maintenance	42	—	—	42
58	Insurance Department	1,692	—	20	1,712
50	Public Service Commission	944	—	30	974
65	PSC - Building Maintenance	22	—	—	22
—	PSC - Research & Analysis	—	—	30	30
—	PSC - Hearing Impaired	—	—	92	92
—	PSC - Life Line Account	—	—	5	5
	Total Business, Labor & Agriculture	$ 15,878	$ 1,722	$ 6,312	$ 23,912
	Intrafund Eliminations				
	Net Business, Labor & Agriculture				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 124	$ 1	$ —	$ —	66
544	—	7	—	36
594	—	107	—	37
3,865	14	—	115	34
757	—	—	—	35
—	—	10	—	43
45	—	—	1	38
160	—	—	449	45
261	—	—	15	39
110	—	—	—	41
45	—	5	—	42
61	—	—	—	40
90	—	—	—	44
3,217	—	—	23	57
91	—	—	—	63
206	—	7	—	48
92	—	1	—	49
2,189	660	—	508	51
3,825	107	—	14	47
176	—	—	118	52
293	1	—	—	53
331	—	—	16	54
132	—	—	—	61
1,222	—	216	—	56
27	—	—	—	62
183	—	—	—	—
42	—	—	—	64
1,678	31	—	3	58
925	49	—	—	50
22	—	—	—	65
—	—	—	30	—
16	—	—	76	—
—	—	—	5	—
21,323	$ 863	$ 353	$ 1,373	
(254)				
$ 21,069				

Schedule of Expenditures - Detail - Budget and Actual - General Fund

Continued

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Source of Funding			Budget as Appropriated and Amended
		State Funds	Federal Funds	Restricted and Other Funds	
COMMUNITY & ECONOMIC DEVELOPMENT					
70	Community & Economic Development	$ 180	$ —	$ —	$ 180
71	Office of Job Training	1.000	13,447	—	14,447
73	Indian Affairs Division	47	—	57	104
—	Asian Affairs	43	—	—	43
—	Black Affairs	63	—	—	63
—	Hispanic Affairs	43	—	—	43
74	Economic & Industrial Develop.	10,680	129	28	10,837
75	Travel Development	3,450	—	203	3,653
76	Expositions	182	—	1,640	1,822
77	State History	943	496	194	1,633
78	Fine Arts	1,518	474	137	2,129
—	Percent for the Arts	—	—	56	56
79	State Library Division	1,954	946	807	3,707
—	Library Revolving Fund	—	—	309	309
80	Community Development	1,229	5,641	257	7,127
81	Community Impact Grants	300	419	8,549	9,268
—	Flood Relief	—	—	5,235	5,235
	Total Community & Economic Dev.	$ 21,632	$ 21,552	$ 17,472	$ 60,656
	Intrafund Eliminations				
	Net Community & Economic Dev.				
TAX ANTICIPATION NOTES					
—	Interest Charges	$ --	$ —	$ 5,034	$ 5,034
	Total Tax Anticipation Notes	$ 0	$ 0	$ 5,034	$ 5,034

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 180	$ —	$ —	$ —	70
14,447	—	—	—	71
103	1	—	—	73
43	—	—	—	—
62	1	—	—	—
43	—	—	—	—
7,633	—	—	3,204	74
3,314	—	—	339	75
1,704	—	—	118	76
1,469	—	—	164	77
2,129	—	—	—	78
7	—	—	49	—
3,706	1	—	—	79
289	—	—	20	—
7,126	—	1	—	80
9,223	—	45	—	81
1,556	—	—	3,679	—
53,034	$ 3	$ 46	$ 7,573	
(386)				
$ 52,648				
$ 5,034	$ —	$ —	$ —	—
$ 5,034	$ 0	$ 0	$ 0	

CASTLE COUNTRY

Castle Country is like a magic kingdom, where dinosaurs, goblins-turned-to-stone, ghosts in ghost towns, and sandstone creations possibly never before seen by man are waiting to meet you.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are maintained to account for specific revenues that are earmarked to finance specific functions of government. A brief description of the Funds follow.

Uniform School Fund - This fund is maintained to account for revenues and expenditures of the State Office of Education which supports public elementary and secondary schools. Revenues are derived from individual and corporate income taxes and school lunch tax on alcoholic beverages. Appropriations from the General Fund cover any expenditures in excess of revenues.

Transportation Fund - This fund is maintained to account for revenues and expenditures associated with the highway construction and maintenance. Funding is provided from dedicated highway user taxes and fees, as well as various federal highway administration funds. Federal funds accruing to the Transportation Fund are received on a reimbursement basis after costs have been incurred. Due to timing differences in matching tax collections with construction periods and delays in federal reimbursements, this fund generally borrows cash on a short-term basis from the General Fund.

Combining Balance Sheet
Special Revenue Funds

June 30, 1988 | (Expressed in Thousands)

	Uniform School Fund	Transportation Fund	Total June 30, 1988
Assets			
Cash and Cash Equivalents	$ 141,234	$ 909	$ 142,143
Receivables:			
Accounts	13,845	47,840	61,685
Notes	1,700	—	1,700
Unbilled	—	11,727	11,727
Due From Other Funds	1,516	245	1,761
Inventories	365	10,630	10,995
Total Assets	$ 158,660	$ 71,351	$ 230,011
Liabilities and Fund Balances			
Liabilities:			
Vouchers Payable	$ 35,970	$ 28,206	$ 64,176
Accrued Liabilities	106,003	2,592	108,595
Due to Other Funds	1,578	12,891	14,469
Deferred Revenue	700	11,727	12,427
Total Liabilities	144,251	55,416	199,667
Fund Balances:			
Reserved:			
Reserved by State Law	12,709	2,386	15,095
Reserved for School Building Loans	1,700	—	1,700
Total Reserved	14,409	2,386	16,795
Unreserved	—	13,549	13,549
Total Fund Balances	14,409	15,935	30,344
Total Liabilities and Fund Balances	$ 158,660	$ 71,351	$ 230,011

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds

For the Fiscal Year Ended June 30, 1988 (Expressed in Thousands)

	Uniform School Fund	Transportation Fund	Total June 30, 1988
Revenues:			
Unrestricted:			
Individual Income Tax	$ 530,692	$ —	$ 530,692
Corporate Franchise Tax	83,427	—	83,427
Motor and Special Fuel Tax	—	156,924	156,924
Licenses, Fees and Permits	—	35,511	35,511
Interest on Investments	2,075	—	2,075
Miscellaneous Taxes and Other	9,200	—	9,200
Total Unrestricted	625,394	192,435	817,829
Restricted:			
Federal Contracts and Grants	90,154	137,627	227,781
Departmental Collections	4,153	5,751	9,904
Public Education Dedicated Credits	75	—	75
Aeronautics	—	17,979	17,979
Miscellaneous	11,648	—	11,648
Total Restricted	106,030	161,357	267,387
Total Revenues	731,424	353,792	1,085,216
Expenditures:			
Public Education	787,773	—	787,773
Transportation	—	310,002	310,002
Total Expenditures	787,773	310,002	1,097,775
Excess of Revenues Over (Under) Expenditures	(56,349)	43,790	(12,559)
Other Financing Sources (Uses):			
Operating Transfers In	73,534	3,147	76,681
Operating Transfers Out	(15,049)	(33,291)	(48,340)
Total Other Financing Sources (Uses)	58,485	(30,144)	28,341
Excess Revenues and Other Sources Over Expenditures and Other Uses	2,136	13,646	15,782
Beginning Fund Balance	12,273	6,244	18,517
Residual Equity Transfers	—	(3,955)	(3,955)
Ending Fund Balance	$ 14,409	$ 15,935	$ 30,344

Schedule of Revenues - Budget and Actual - Uniform School Fund - Detail by Source

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Budget	Actual	Variance Favorable (Unfavorable)
Unrestricted:			
Individual Income Tax	$ 517,489	$ 607,692	$ 90,203
Income Tax Refunded	—	(77,000)	(77,000)
Corporate Franchise Tax	76,311	83,427	7,116
Local School Districts	6,373	8,091	1,718
Interest on Investments	1,700	2,075	375
Miscellaneous Taxes	1,226	1,756	530
Total Unrestricted Revenues	603,099	626,041	22,942
Restricted:			
Federal Contracts and Grants	90,154	90,154	0
Departmental Collections	6,069	5,893	(176)
Public Education Dedicated Credits	75	75	0
Miscellaneous:			
School Lunch Tax	8,149	8,149	0
Drivers Education Tax	2,277	2,277	0
Other	2,695	2,716	21
Total Restricted Revenues	109,419	109,264	(155)
Total Uniform School Fund Revenues	$ 712,518	735,305	$ 22,787
Intrafund Eliminations		(3,881)	
Net Uniform School Fund Revenues - GAAP Basis		$ 731,424	

Schedule of Expenditures - Detail - Budget and Actual - Uniform School Fund

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

Line Item #	Appropriation Line Item Description	Source of Funding: State Funds	Source of Funding: Federal Funds	Source of Funding: Restricted and Other Funds	Budget as Appropriated and Amended
	PUBLIC EDUCATION				
—	Indirect Cost Pool	$ —	$ —	$ (130)	$ (130)
200	Institutional Education	1,660	—	—	1,660
201	Custom Fit Training	2,040	—	—	2,040
—	Educational Excellence	36	—	—	36
199	Child Nutrition	544	28,945	8,202	37,691
—	Correctional Institutions	115	—	—	115
198	Direct Services	4,122	14,894	30	19,046
204	Bd. of Ed.-Utah Symphony	407	—	—	407
205	Bd. of Ed.-Ballet West	166	—	—	166
207	Bd. of Ed.-Utah Opera Company	62	—	—	62
206	Bd. of Ed.-Hansen Planetarium	142	—	—	142
—	Bd. of Ed.-Commodities	—	8,596	—	8,596
—	Combined Area Vocational Centers	—	737	8,050	8,787
202	Area Vocational & Skill Centers	9,814	—	—	9,814
—	Minimum School Program	649,995	—	6,233	656,228
197	Board of Education	10,415	36,982	5,002	52,399
203	Schools for the Deaf and Blind	6,702	—	632	7,334
	Total Public Education	$ 686,220	$ 90,154	$ 28,019	$ 804,393
	Intrafund Eliminations				
	Net Public Education				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ (130)	$ —	$ —	$ —	—
1,646	—	—	14	200
700	—	—	1,340	201
36	—	—	—	—
37,423	—	—	268	199
109	—	—	6	—
19,013	—	—	33	198
407	—	—	—	204
166	—	—	—	205
62	—	—	—	207
142	—	—	—	206
8,596	—	—	—	—
6,652	—	2,135	—	—
9,814	—	—	—	202
650,510	—	—	5,718	—
49,185	—	3	3,211	197
7,323	—	—	11	203
791,654	$ 0	$ 2,138	$ 10,601	
(3,881)				
$ 787,773				

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Schedule of Revenues - Budget and Actual - Transportation Fund - Detail by Source

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Budget	Actual	Variance Favorable (Unfavorable)
Unrestricted:			
Motor Fuel Tax	$ 127,600	$ 129,370	$ 1,770
Special Fuel Tax	28,400	27,554	(846)
Licenses, Fees and Permits:			
Motor Vehicle Registration Fees	18,792	17,584	(1,208)
Proportional Registration Fees	4,197	4,118	(79)
Temporary Permits	1,057	968	(89)
Special Transportation Permits	2,760	3,010	250
Highway Use Permits	2,165	2,235	70
Drivers License	4,600	4,868	268
Motor Vehicle Control Fees	1,053	954	(99)
Miscellaneous	1,876	1,774	(102)
Total Unrestricted Revenues	192,500	192,435	(65)
Restricted:			
Federal Contracts and Grants	137,627	137,627	0
Departmental Collections	5,737	5,751	14
Aeronautics Fund	18,576	17,979	(597)
Total Restricted Revenues	161,940	161,357	(583)
Total Transportation Fund Revenues	$ 354,440	353,792	$ (648)
Intrafund Eliminations		—	
Net Transportation Fund Revenues - GAAP Basis		$ 353,792	

Schedule of Expenditures - Detail - Budget and Actual - Transportation Fund

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

		Source of Funding			
Line Item #	Appropriation Line Item Description	State Funds	Federal Funds	Restricted and Other Funds	Budget as Appropriated and Amended
	DEPARTMENT OF TRANSPORTATION				
238	Support Services	$ 6,631	$ —	$ 882	$ 7,513
239	Engineering Services	9,630	76	9,425	19,131
243	Maintenance Management	51,080	—	1,242	52,322
240	Construction Management	2,913	—	12,565	15,478
241	District Management	6,190	—	3,247	9,437
242	Equipment Management	644	—	56	700
137	Sidewalk Construction	1,335	—	—	1,335
245	B & C Roads	40,600	—	—	40,600
247	Federal Construction	16,679	137,551	(23,432)	130,798
248	State Construction	11,958	—	3,262	15,220
246	Highway Rehabilitation	21,232	—	—	21,232
—	Non Appropriated	—	—	534	534
244	Aeronautics	—	—	18,696	18,696
	Total Transportation	$ 168,892	$ 137,627	$ 26,477	$ 332,996
	Intrafund Eliminations				
	Net Transportation				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 6,893	$ 620	$ —	$ —	238
17,707	1,424	—	—	239
49,738	2,584	—	—	243
15,433	45	—	—	240
8,868	569	—	—	241
497	172	—	31	242
497	—	—	838	137
40,395	205	—	—	245
130,791	7	—	—	247
—	15,220	—	—	248
20,995	237	—	—	246
(61)	595	—	—	—
18,249	—	447	—	244
310,002	$ 21,678	$ 447	$ 869	
—				
$ 310,002				

Utah

A pretty, great state.

PANORAMALAND

The pinnacles and cliffs of Capitol Reef National Park, the rockhounding treasures of the Great Basin Desert, the song of Big Rock Candy Mountain, and the quiet farming valleys of the Manti Mountains often share their secrets.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for the operations of State agencies that provide goods and services to the general public and finance their operations through user charges. The State's enterprise operations are described below.

Housing Finance Agency - Created by the legislature in 1975, the purpose of this agency is to provide an alternate source of funding for home mortgages, particularly for lower income families. The agency is funded entirely through the issuance of bonds which are repaid from the interest and principal payments made on mortgages.

Student Assistance Programs - Created by the legislature in 1977, the Student Assistance Programs are composed of the Utah Higher Education Assistance Authority and the State Board of Regents' Student Loan Purchase Programs. The purpose of the programs are to guarantee the repayment of student loans made by participating lenders to eligible student borrowers and to make loans to, and purchase the loans of, qualified students attending eligible institutions of higher education. Funds are acquired from bonds, lines-of-credit, variable rate demand notes, and financing agreements with the Student Loan Marketing Association.

Workers' Compensation - The Workers' Compensation Fund is a State operated, non-profit workers' compensation insurance company. It was established by the legislature in 1917 to provide workers' compensation insurance to Utah employers at the lowest possible cost, while maintaining an actuarially sound insurance operation. The fund insures approximately 21,000 private business and governmental entities, and processes nearly 40,000 claims each year. The fund is owned by the policyholders, and all funding comes from the premiums paid by them.

Alcoholic Beverage Control - The Alcoholic Beverage Control Commission was originally established by the legislature in 1935 as the Utah Liquor Commission. The Commission's purpose is to conduct, license, and regulate the sale of alcoholic beverages. Funding is provided through the sale of products. The net profit from the Fund is transferred to the State's General Fund and is used for general government purposes.

Technology Finance Corporation - The Corporation was authorized by the Utah Technology and Innovation Act and was incorporated as a non-profit corporation in 1983. The purpose of the Corporation is to encourage and assist in the development, promotion, and growth of technological and innovative emerging and developing small businesses throughout the State of Utah. Funding is by grants, earnings from other sources, and from an appropriation from the State's General Fund.

Utah Correctional Industries - Utah Correctional Industries (UCI) was established to provide employment for prisoners of the Utah State Prison. UCI manufactures items for sale such as license plates, furniture, highway signs, printing services, and dairy and meat products and sells other miscellaneous products and services. Funding comes from charges for the products and services.

Blind Industries - The Blind Industries is a sheltered workshop that provides employment, evaluation, and training for adults who are blind or visually impaired. They are financed through sales of products and from State appropriations.

Combining Balance Sheet
Enterprise Funds

June 30, 1988

(Expressed in Thousands)

	Alcoholic Beverage Control	Housing Finance Agency	Workers' Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Utah Correctional Industries	Total June 30, 1988
Assets								
Current Assets:								
Cash and Cash Equivalents	$ 57	$ 251,422	$ 8,333	$ 31,379	$ —	$ 2,405	$ 1,020	$ 294,616
Receivables:								
Accounts	433	11	12,920	2,705	118	—	126	16,313
Notes	—	9,661	—	—	—	20	—	9,681
Accrued Interest	—	15,336	3,653	3,254	—	—	—	22,243
Due From Other Funds	—	—	3	—	2	—	833	838
Inventories	10,539	—	—	—	485	—	1,069	12,093
Prepaid Expenses	28	115	—	10	—	6	—	159
Total Current Assets	11,057	276,545	24,909	37,348	605	2,431	3,048	355,943
Other Assets:								
Other Investments	—	106,692	147,885	6,606	—	—	—	261,183
Notes Receivable Due After One Year	—	681,809	—	169,562	—	31	—	851,402
Deferred Charges Due After One Year	—	16,430	—	91	—	—	—	16,521
Total Other Assets	0	804,931	147,885	176,259	0	31	0	1,129,106
Fixed Assets:								
Land	1,067	250	325	—	—	—	—	1,642
Buildings and Improvements	4,013	214	1,546	—	—	5	235	6,013
Machinery and Equipment	2,990	182	834	89	150	25	1,192	5,462
Accumulated Depreciation	(2,815)	(148)	(963)	(86)	(95)	(21)	(508)	(4,636)
Total Fixed Assets	5,255	498	1,742	3	55	9	919	8,481
Total Assets	$ 16,312	$ 1,081,974	$ 174,536	$ 213,610	$ 660	$ 2,471	$ 3,967	$ 1,493,530
Liabilities and Fund Equity								
Liabilities:								
Current Liabilities:								
Vouchers Payable	$ 2,652	$ 1,086	$ 932	$ 1,149	$ 71	$ 2	$ 261	$ 6,153
Accrued Liabilities	629	36,124	103	2,969	26	535	186	40,572
Deposits in Custody Due Within One Year	—	—	16,298	—	—	—	—	16,298
Due to Other Funds	7,457	—	39	—	325	—	78	7,899
Deferred Revenue Due Within One Year	118	—	—	700	—	—	—	818
Policy Claim Liabilities Due Within One Year	—	—	31,169	—	—	—	—	31,169
Notes Payable Due Within One Year	—	—	—	7,017	—	—	7	7,024
Revenue Bonds Payable Due Within One Year	—	38,780	—	3,100	—	—	—	41,880
Obligations Under Capital Leases Due Within One Year	52	—	—	—	—	—	—	52
Total Current Liabilities	10,908	75,990	48,541	14,935	422	537	532	151,865
Long-Term Liabilities:								
Deferred Revenue Due After One Year	—	—	—	1,890	—	—	—	1,890
Policy Claim Liabilities Long-Term Portion	—	—	90,882	—	—	—	—	90,882
Notes Payable Due After One Year	—	—	—	134,383	—	—	34	134,417
Revenue Bonds Payable Due After One Year	—	931,558	—	20,582	—	—	—	952,140
Obligations Under Capital Leases Due After One Year	487	—	—	—	—	—	—	487
Total Long-Term Liabilities	487	931,558	90,882	156,855	0	0	34	1,179,816
Total Liabilities	11,395	1,007,548	139,423	171,790	422	537	566	1,331,681
Fund Equity:								
Contributed Working Capital	4,917	—	—	—	413	2,775	3,401	11,506
Retained Earnings	—	74,426	35,113	41,820	(175)	(841)	—	150,343
Total Fund Equity	4,917	74,426	35,113	41,820	238	1,934	3,401	161,849
Total Liabilities and Fund Equity	$ 16,312	$ 1,081,974	$ 174,536	$ 213,610	$ 660	$ 2,471	$ 3,967	$ 1,493,530

Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Enterprise Funds

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Alcoholic Beverage Control	Housing Finance Agency	Workers' Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Utah Correctional Industries	Total June 30, 1988
Operating Revenues:								
Interest on Investments	$ —	$ 24,999	$ —	$ 2,829	$ —	$ 131	$ —	$ 27,959
Sales:								
Liquor Sales (Net of $12,214 Sales and School Lunch Tax)	64,915	—	—	—	—	—	—	64,915
Permits, Licenses and Fees	356	—	—	—	—	—	—	356
Charges for Services/Premiums	—	—	58,399	1,925	742	—	5,413	66,479
Interest on Mortgages/Notes	—	56,805	—	13,397	—	—	—	70,202
Miscellaneous	—	235	—	4,064	—	1	—	4,300
Total Operating Revenue	65,271	82,039	58,399	22,215	742	132	5,413	234,211
Cost of Goods Sold	41,035	—	—	—	402	—	2,182	43,619
Gross Profit	24,236	82,039	58,399	22,215	340	132	3,231	190,592
Operating Expenses:								
Administration	6,776	3,514	4,138	4,601	345	369	1,537	21,280
Rentals and Leases	687	—	—	—	—	14	72	773
Maintenance	174	—	—	—	9	—	84	267
Interest	15	75,702	—	12,060	—	—	—	87,777
Depreciation	468	27	171	122	12	5	111	916
Benefit Claims	—	—	44,825	—	—	1,335	—	46,160
Supplies and Other Miscellaneous	201	—	—	—	47	19	1,396	1,663
Total Operating Expenses	8,321	79,243	49,134	16,783	413	1,742	3,200	158,836
Total Operating Income (Loss)	15,915	2,796	9,265	5,432	(73)	(1,610)	31	31,756
Non-Operating Income (Expenses):								
Interest on Investments	—	—	11,057	—	—	—	—	11,057
Gain on Investments	—	—	648	—	—	—	—	648
Gain (Loss) on Sale of Fixed Assets	3	—	(22)	—	—	—	3	(16)
Total Non-Operating Income (Expenses)	3	0	11,683	0	0	0	3	11,689
Income (Loss) Before Operating Transfers	15,918	2,796	20,948	5,432	(73)	(1,610)	34	43,445
Operating Transfers In	—	—	—	—	—	1,393	—	1,393
Operating Transfers Out	(15,918)	—	(11)	—	—	—	(34)	(15,963)
Net Income (Loss) After Operating Transfers	0	2,796	20,937	5,432	(73)	(217)	0	28,875
Beginning Retained Earnings	—	71,630	14,176	36,388	(102)	(624)	—	121,468
Ending Retained Earnings	$ 0	$ 74,426	$ 35,113	$ 41,820	$ (175)	$ (841)	$ 0	$ 150,343

Combining Statement of Changes in Financial Position Enterprise Funds

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Alcoholic Beverage Control	Housing Finance Agency	Workers' Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Utah Correctional Industries	Total June 30, 1988
Sources of Working Capital:								
Operations:								
Net Income (Loss)	$ —	$ 2,796	$ 20,937	$ 5,432	$ (73)	$ (217)	$ —	$ 28,875
Items Not Requiring Working Capital:								
Depreciation	468	27	171	122	12	5	111	916
Amortization of Deferred Charges/Revenue	—	2,031	—	(860)	—	—	—	1,171
Loss (Gain) on Disposition of Property and Equipment	(3)	—	22	—	—	—	(3)	16
Total Sources From Operations	465	4,854	21,130	4,694	(61)	(212)	108	30,978
Increase in Deferred Revenue Due after One Year	—	—	—	748	—	—	—	748
Increase in Notes Payable	—	—	—	11,000	—	—	—	11,000
Additions to Long-Term Debt	487	190,064	—	44	—	—	16	190,611
Increase in Contributed Working Capital	816	—	—	—	17	—	—	833
Decrease in Mortgages/Notes Receivable	—	42,925	—	26,221	—	—	—	69,146
Proceeds on Disposal of Property and Equipment	6	—	—	23	—	—	33	62
Decrease in Deferred Charges	—	—	—	14	—	—	—	14
Total Sources of Working Capital	1,774	237,843	21,130	42,744	(44)	(212)	157	303,392
Uses of Working Capital:								
Increase in Other Investments	—	12,682	67,359	12	—	—	—	80,053
Increase in Mortgages/Notes Receivable	—	162,384	—	32,576	—	21	—	194,981
Acquisition of Property and Equipment	1,356	14	121	—	18	1	315	1,825
Decrease in Deposits in Custody	—	—	—	1,225	—	—	—	1,225
Decrease in Policy Claim Liabilities	—	—	2,733	—	—	—	—	2,733
Decrease in Notes Payable	—	—	—	9,194	—	—	—	9,194
Payments on Long-Term Debt	—	74,122	—	4,110	—	—	—	78,232
Decrease in Contributed Working Capital	470	—	—	—	—	—	66	536
Total Uses of Working Capital	1,826	249,202	70,213	47,117	18	22	381	368,779
Net Increase (Decrease) in Working Capital	$ (52)	$ (11,359)	$ (49,083)	$ (4,373)	$ (62)	$ (234)	$ (224)	$ (65,387)
Elements of Net Increase (Decrease) in Working Capital:								
Cash and Cash Equivalents	$ 3	$ (32,449)	$ (47,837)	$ 2,476	$ —	$ 229	$ (523)	$ (78,101)
Accounts Receivable/Due From Other Funds	77	(313)	1,669	1,014	7	—	287	2,741
Notes Receivable Current Portion	—	(5,343)	—	—	—	20	—	(5,323)
Accrued Interest	—	5,269	1,402	(317)	—	—	—	6,354
Inventories	436	—	—	—	(36)	—	4	404
Prepaid Expenses	3	(16)	—	(2)	—	3	(2)	(14)
Vouchers Pay./Acc. Liab./Due to Other Funds	(520)	(4,759)	1,126	(727)	(33)	(486)	10	(5,389)
Deposits in Custody Current Portion	—	—	(2,489)	—	—	—	—	(2,489)
Deferred Revenue	1	571	—	—	—	—	—	572
Current Portion of Long-Term Obligations	(52)	25,681	(2,954)	(6,817)	—	—	—	15,858
Net Increase (Decrease) in Working Capital	$ (52)	$ (11,359)	$ (49,083)	$ (4,373)	$ (62)	$ (234)	$ (224)	$ (65,387)

Utah

A pretty, great state.

GOLDEN SPIKE EMPIRE

Viewing a golden fall on the mountains of Monte Cristo, a golden sunset over Great Salt Lake, or a golden railroad spike being driven at Promontory Summit is only a glimpse of this Empire with its cities, lakes and mountains.

INTERNAL SERVICE FUNDS

The Internal Service Funds are maintained to account for the operation of State agencies which provide goods or services to other State agencies and other governmental units on a cost reimbursement basis. The following provides a brief description of operations included in these funds.

Water Resources Loan Fund, a division of the Department of Natural Resources - This agency provides loans to local governments, water districts and other entities for the purpose of upgrading water storage facilities and other related structures. Capital for this fund has been provided from the general fund or from General Obligation Bonds that are repaid from general tax revenues and are not debt obligations of the Water Resources Fund.

Data Processing Fund - This fund is composed of several data processing agencies that function as data processing service bureaus for various state agencies. Services provided by the service bureaus can include programming and data entry as well as general data processing functions.

Employees Group Insurance - The group insurance fund offers several alternatives for health insurance to State and local government employees. These alternatives include plans funded and operated entirely by the State, as well as plans offered by private insurance carriers.

Community Impact Loan Fund, a division of the Department of Community and Economic Development - This fund provides loans to local governments to alleviate social, economic, and public financial impacts resulting from the development of the State's natural resources. Working capital for this fund is provided from federal mineral lease funds transferred from the general fund.

Central Services Fund, a division of the Department of Administrative Services - This division is responsible for administering a program of providing an office supply store, automobile rental services, statewide printing services, and mail services to State agencies.

Surplus Property, a division of the Department of Administrative Services - This division provides for orderly redistribution and sale of all State property that is declared to be in excess of the needs of State agencies. The division also administers the receipt and distribution of Federal surplus property.

Social Services/Internal Service - This service program covers rent, utility payments, taxes, personal services, and maintenance and janitorial services for eleven facilities managed by the Office of Community Operations, the service delivery arm of the Department of Social Services.

Communications, a division of the Department of Administrative Services - This division is responsible for providing telephone services to most State agencies. Services include systems designing, implementing, and operation of a voice and data communications system.

Prison Service Revolving Fund - This fund was originally created as an internal service fund designed to provide employment opportunities and training to prisoners at the Utah State Prison. In fiscal 1986, the State Legislature reclassified the fund to an enterprise fund. (See Enterprise Fund.)

Office of Education/Office of Superintendent - This agency is responsible for providing various support services to the Board of Education. These services include distribution of publications, mail services, and a central office supply room.

Natural Resources - This fund is responsible for the maintenance and operation of the departmental motor pool and central warehouse services. The departmental fund also owns and operates seven gas stations. The gas stations are located throughout the State at facilities managed by the Division of Wildlife Resources.

Administrative Services Risk Management, a division of the Department of Administrative Services - This agency provides insurance coverage and loss prevention to all State agencies and institutions of higher education, and to thirty-nine voluntarily participating school districts. Coverage is provided through the Utah State Risk Management Fund, using an optimal combination of self-insurance and private excess insurance.

Property Management - This agency has statutory responsibility for the operation and maintenance of the facilities used by most State agencies. This includes the day-to-day operations and maintenance of the facilities, as well as establishing a preventative maintenance and facilities inspection program.

Transportation Fund/Internal Service - This fund is responsible for the acquisition and maintenance of heavy road construction and other equipment and materials and road base testing laboratories used by the Department of Transportation.

Combining Balance Sheet
Internal Service Funds

June 30, 1988

(Expressed in Thousands)

	Water Resources Loan Fund	Data Processing Fund	Employees Group Insurance	Community Impact Loan Fund	Central Services Fund	Surplus Property
Assets						
Current Assets:						
Cash and Cash Equivalents	$ 16,847	$ 2,279	$ 11,298	$ 18,784	$ 337	$ 1
Accounts Receivable	3,345	224	1,933	—	126	96
Notes Receivable	5,771	—	—	1,846	—	—
Accrued Interest	3,211	—	190	784	—	—
Due From Other Funds	68	2,978	—	—	1,479	60
Inventories	—	149	—	—	746	—
Prepaid Expenses	—	130	—	—	—	—
Total Current Assets	29,242	5,760	13,421	21,414	2,688	157
Other Assets:						
Other Investments	—	—	5,328	—	—	—
Long-Term Portion of Notes Receivable	107,808	—	—	65,689	—	—
Total Other Assets	107,808	0	5,328	65,689	0	0
Fixed Assets:						
Buildings and Improvements	—	1,519	—	—	—	277
Machinery and Equipment	—	28,816	823	—	11,871	214
Accumulated Depreciation	—	(16,161)	(249)	—	(3,463)	(254)
Construction-In-Progress	—	139	—	—	—	—
Total Fixed Assets	0	14,313	574	0	8,408	237
Total Assets	$ 137,050	$ 20,073	$ 19,323	$ 87,103	$ 11,096	$ 394
Liabilities and Fund Equity						
Liabilities:						
Current Liabilities:						
Vouchers Payable	$ 15	$ 5,643	$ 609	$ —	$ 844	$ 22
Accrued Liabilities	—	1,408	—	—	212	47
Due to Other Funds	—	1,306	—	—	5,254	317
Deferred Revenue	—	5	—	—	—	—
Policy Claim Liabilities Due Within One Year	—	—	15,533	—	—	—
Notes Payable Due Within One Year	—	—	—	—	—	20
Total Current Liabilities	15	8,362	16,142	0	6,310	406
Long-Term Liabilities:						
Advance From Other Funds	—	4,114	—	—	973	—
Policy Claim Liabilities Long-Term Portion	—	—	—	—	—	—
Notes Payable Due After One Year	—	—	—	—	—	42
Total Long-Term Liabilities	0	4,114	0	0	973	42
Total Liabilities	15	12,476	16,142	0	7,283	448
Fund Equity:						
Contributed Working Capital	122,399	6,492	—	70,638	1,179	75
Retained Earnings	14,636	1,105	3,181	16,465	2,634	(129)
Total Fund Equity	137,035	7,597	3,181	87,103	3,813	(54)
Total Liabilities and Fund Equity	$ 137,050	$ 20,073	$ 19,323	$ 87,103	$ 11,096	$ 394

Communi-cations	Social Servi-ces/Internal Service	Prison Service Revolving Fund	Office of Education/ Internal Service	Natural Resources/ Internal Service	Administrative Services/Risk Management	Property Management	Trans-portation/ Internal Service	Total June 30, 1988
$ —	$ 581	$ —	$ 38	$ 1,310	$ 8,230	$ 634	$ 5,142	$ 65,481
—	—	—	14	—	506	6	—	6,250
—	—	—	—	—	—	—	—	7,617
—	—	—	—	—	—	—	—	4,185
1,305	206	—	123	324	59	414	172	7,188
134	28	—	38	132	—	33	—	1,260
—	3	—	14	—	—	—	—	147
1,439	818	0	227	1,766	8,795	1,087	5,314	92,128
—	—	—	—	—	—	—	—	5,328
—	—	—	—	—	—	—	—	173,497
0	0	0	0	0	0	0	0	178,825
—	4,066	—	—	—	—	—	—	5,862
7,664	333	—	175	6,160	14	235	57,733	114,038
(1,984)	(502)	—	(75)	(1,855)	—	(104)	(29,813)	(54,460)
—	—	—	—	—	—	—	—	139
5,680	3,897	0	100	4,305	14	131	27,920	65,579
$ 7,119	$ 4,715	$ 0	$ 327	$ 6,071	$ 8,809	$ 1,218	$ 33,234	$ 336,532
$ 1,106	$ 130	$ —	$ 28	$ 122	$ 685	$ 368	$ 123	$ 9,695
80	121	—	25	22	24	129	724	2,792
640	23	3,914	14	46	240	209	69	12,032
—	—	—	—	—	—	—	—	5
—	—	—	—	—	7,573	—	—	23,106
—	—	—	—	—	—	—	—	20
1,826	274	3,914	67	190	8,522	706	916	47,650
3,677	—	—	—	—	—	—	—	8,764
—	—	—	—	—	5,077	—	—	5,077
—	—	—	—	—	—	—	—	42
3,677	0	0	0	0	5,077	0	0	13,883
5,503	274	3,914	67	190	13,599	706	916	61,533
1,122	3,592	—	8	4,879	3	93	32,093	242,573
494	849	(3,914)	252	1,002	(4,793)	419	225	32,426
1,616	4,441	(3,914)	260	5,881	(4,790)	512	32,318	274,999
$ 7,119	$ 4,715	$ 0	$ 327	$ 6,071	$ 8,809	$ 1,218	$ 33,234	$ 336,532

Combining Statement of Revenues, Expenses and Changes in Retained Earnings Internal Service Funds

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Water Resources Loan Fund	Data Processing Fund	Employees Group Insurance	Community Impact Loan Fund	Central Services Fund	Surplus Property
Operating Revenues:						
Interest on Investments	$ 2,407	$ —	$ 1,463	$ 2,687	$ —	$ —
Charges for Services/Premiums	117	22,848	49,112	—	10,345	709
Total Operating Revenues	2,524	22,848	50,575	2,687	10,345	709
Operating Expenses:						
Personnel Services	—	10,133	1,263	—	1,813	390
Materials and Communication	—	662	27	—	5,188	9
Rentals and Leases	—	208	110	—	84	—
Maintenance	—	352	—	—	848	27
Interest	—	3	—	—	—	2
Depreciation	—	4,821	113	—	1,610	35
Benefit Claims	—	—	52,447	—	—	—
Miscellaneous Other:						
Data Processing	—	6,012	148	—	66	6
Postage and Mailing	—	8	149	—	8	4
Office Supplies	—	160	206	—	312	14
Utilities	—	253	—	—	—	16
Unclassified Other	148	1,122	292	92	830	236
Total Operating Expenses	148	23,734	54,755	92	10,759	739
Total Operating Income (Loss)	2,376	(886)	(4,180)	2,595	(414)	(30)
Non-Operating Income (Expenses):						
(Loss) on Loan Remarketing	(11,478)	—	—	—	—	—
Gain on Sale of Fixed Assets	—	—	22	—	—	—
Total Non-Operating Income (Expense)	(11,478)	0	22	0	0	0
Income (Loss) Before Operating Transfers	(9,102)	(886)	(4,158)	2,595	(414)	(30)
Operating Transfers In	—	276	—	—	—	—
Operating Transfers Out	(908)	(161)	—	(251)	(24)	(9)
Net Income (Loss) After Operating Transfer	(10,010)	(771)	(4,158)	2,344	(438)	(39)
Beginning Retained Earnings	24,646	1,876	7,339	14,121	3,072	(90)
Residual Equity Transfers	—	—	—	—	—	—
Ending Retained Earnings	$ 14,636	$ 1,105	$ 3,181	$ 16,465	$ 2,634	$ (129)

Communi-cations	Social Services/ Internal Service	Prison Service Revolving Fund	Office of Education/ Internal Service	Natural Resources/ Internal Service	Administrative Services/Risk Management	Property Management	Trans-portation/ Internal Service	Total June 30, 1988
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,557
5,955	4,098	—	772	2,614	12,563	6,573	14,557	130,263
5,955	4,098	0	772	2,614	12,563	6,573	14,557	136,820
779	1,016	—	190	114	216	1,077	6,190	23,181
4,398	76	—	278	605	4	22	26	11,295
6	1,154	—	23	4	—	950	325	2,864
113	286	—	13	1,017	—	859	3,623	7,138
—	—	—	—	—	—	4	—	9
918	116	—	22	675	—	37	4,032	12,379
—	—	—	—	—	7,411	—	—	59,858
—	4	—	—	8	10	23	10	6,287
2	—	—	121	—	1	1	1	295
34	27	—	—	4	12	5	23	797
—	420	—	7	2	—	2,116	137	2,951
163	1,417	—	48	54	3,669	1,416	(221)	9,266
6,413	4,516	0	702	2,483	11,323	6,510	14,146	136,320
(458)	(418)	0	70	131	1,240	63	411	500
—	—	—	—	—	—	—	—	(11,478)
—	—	—	—	—	—	—	19	41
0	0	0	0	0	0	0	19	(11,437)
(458)	(418)	0	70	131	1,240	63	430	(10,937)
—	695	34	—	—	—	—	—	1,005
—	—	—	—	—	—	—	(205)	(1,558)
(458)	277	34	70	131	1,240	63	225	(11,490)
952	572	(4,014)	182	871	(6,033)	356	—	43,850
—	—	66	—	—	—	—	—	66
$ 494	$ 849	$ (3,914)	$ 252	$ 1,002	$ (4,793)	$ 419	$ 225	$ 32,426

Combining Statement of Changes in Financial Position
Internal Service Funds

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

	Water Resources Loan Fund	Data Processing Fund	Employees Group Insurance	Community Impact Loan Fund	Central Services Fund	Surplus Property
Sources of Working Capital:						
Operations:						
Net Income	$ (10,010)	$ (771)	$ (4,158)	$ 2,344	$ (438)	$ (39)
Items Not Req. Working Capital:						
Depreciation	—	4,821	113	—	1,610	35
(Gain) on Disposition of Property and Equipment	—	—	(22)	—	—	—
Loss on Loan Remarketing	11,478	—	—	—	—	—
Total Sources from Operations	1,468	4,050	(4,067)	2,344	1,172	(4)
Increase in Advance From Other Funds	—	1,816	—	—	193	—
Increase in Contributed Working Capital (net of $26,856 accumulated depreciation transferred in from General Fixed Asset Account Group)	—	1,020	—	1,008	265	23
Decrease in Other Investments	—	—	96	—	—	—
Decrease in Mortgages/Notes Receivable	1,045	—	—	—	—	—
Proceeds on Disposal of Property and Equipment	—	669	22	—	970	—
Total Sources of Working Capital	2,513	7,555	(3,949)	3,352	2,600	19
Uses of Working Capital:						
Increase in Mortgages/Notes Receivable	—	—	—	209	—	—
Acquisition of Property and Equipment (net of $26,856 accumulated depreciation transferred in from General Fixed Asset Account Group)	—	10,313	480	—	4,238	69
Decrease in Policy Claim Liabilities	—	—	482	—	—	—
Payments on Long-Term Debt	—	—	—	—	—	13
Total Uses of Working Capital	0	10,313	962	209	4,238	82
Net Increase (Decrease) in Working Capital	$ 2,513	$ (2,758)	$ (4,911)	$ 3,143	$ (1,638)	$ (63)
Elements of Net Increase (Decrease) in Working Capital:						
Cash and Cash Equivalents	$ 5,627	$ 1,079	$ (3,131)	$ 3,432	$ 337	$ (391)
Accounts Receivable/Due From Other Funds	(380)	(1,903)	1,403	(24)	530	67
Notes Receivable Current Portion	(1,710)	(30)	—	39	—	—
Accrued Interest	(1,199)	—	(24)	(304)	—	—
Inventories	—	(107)	—	—	58	—
Prepaid Expenses	—	106	—	—	—	—
Vouchers Pay./Acc. Liab./Due to Other Funds	175	(1,908)	(222)	—	(2,563)	263
Policy Claim Liability	—	—	(2,969)	—	—	—
Deferred Revenue	—	2	32	—	—	1
Current Portion of Long-Term Obligations	—	3	—	—	—	(3)
Net Increase (Decrease) in Working Capital	$ 2,513	$ (2,758)	$ (4,911)	$ 3,143	$ (1,638)	$ (63)

Communi-cations	Social Services/ Internal Service	Prison Service Revolving Fund	Office of Education/ Internal Service	Natural Resources/ Internal Service	Administrative Services/Risk Management	Property Management	Trans-portation/ Internal Service	Total June 30, 1988
$ (458)	$ 277	$ 34	$ 70	$ 131	$ 1,240	$ 63	$ 225	$ (11,490)
918	116	—	22	675	—	37	4,032	12,379
—	—	—	—	—	—	—	(19)	(41)
—	—	—	—	—	—	—	—	11,478
460	393	34	92	806	1,240	100	4,238	12,326
266	—	—	—	—	—	—	—	2,275
93	2,829	66	—	59	—	39	32,093	37,495
—	—	—	—	—	—	—	—	96
—	—	—	—	—	—	—	—	1,045
—	25	—	—	125	—	—	160	1,971
819	3,247	100	92	990	1,240	139	36,491	55,208
—	—	—	—	—	—	—	—	209
4,501	201	—	32	824	11	51	32,093	52,813
—	—	—	—	—	92	—	—	574
—	2,805	—	—	—	—	—	—	2,818
4,501	3,006	0	32	824	103	51	32,093	56,414
$ (3,682)	$ 241	$ 100	$ 60	$ 166	$ 1,137	$ 88	$ 4,398	$ (1,206)
$ (3,049)	$ 21	$ —	$ 38	$ 241	$ 6,410	$ (37)	$ 5,142	$ 15,719
97	(115)	—	(67)	(168)	345	134	172	91
—	—	—	—	—	—	—	—	(1,701)
—	—	—	—	—	—	—	—	(1,527)
134	1	—	6	10	—	—	—	102
—	(1)	—	(2)	—	(123)	—	—	(20)
(864)	315	100	85	83	(779)	(10)	(916)	(6,241)
—	—	—	—	—	(4,772)	—	—	(7,741)
—	—	—	—	—	56	1	—	92
—	20	—	—	—	—	—	—	20
$ (3,682)	$ 241	$ 100	$ 60	$ 166	$ 1,137	$ 88	$ 4,398	$ (1,206)

Utah
A pretty, great state.

MOUNTAINLAND

Fishing at a remote mountain glacier lake, viewing theater under mountain stars at Robert Redford's Sundance Resort, and marveling at the dazzling formations in Mt. Timpanogos Cave are only the beginnings of Mountainland.

TRUST AND AGENCY FUNDS

Trust and Agency Funds are fiduciary in nature and are maintained to account for assets held by the State acting in the capacity as trustee or agent.

Combining Balance Sheet
Trust and Agency Funds

June 30, 1988 (Expressed in Thousands)

	Pension Trust Funds	Non-Expendable Trust Fund			
	State Retirement Systems	**Land Board**	**Expendable Trust Funds**	**Agency Funds**	**Total June 30, 1988**
Assets					
Cash and Cash Equivalents	$ 205,422	$ 13,954	$ 173,590	$ 494,096	$ 887,062
Other Investments	2,642,157	9,964	7,789	98,884	2,758,794
Receivables:					
Accounts	46,780	1,632	4,091	140	52,643
Accrued Interest	—	—	769	17,829	18,598
Due From Other Funds	—	14	7,621	29,496	37,131
Land	—	4,339	—	—	4,339
Machinery and Equipment	6,658	—	—	—	6,658
Accumulated Depreciation	(2,302)	—	—	—	(2,302)
Total Assets	$ 2,898,715	$ 29,903	$ 193,860	$ 640,445	$ 3,762,923
Liabilities and Fund Balances					
Liabilities:					
Vouchers Payable	$ 19,049	$ —	$ 2,474	$ —	$ 21,523
Oblig. Under Reverse Repurchase Agreements	—	—	—	19,388	19,388
Deposits Held in Custody	—	—	149	—	149
Due to Other Funds	—	246	3,065	—	3,311
Due to Other Individuals or Groups	—	—	—	89,847	89,847
Due to Other Taxing Units	—	—	—	531,210	531,210
Deferred Revenue	—	—	197	—	197
Policy Claim Liabilities	—	—	76,492	—	76,492
Total Liabilities	19,049	246	82,377	640,445	742,117
Fund Balances:					
Reserved Fund Balances	—	29,657	182,186	—	211,843
Reserved for Employees' Retirement System	2,879,666	—	—	—	2,879,666
Unreserved Undesignated	—	—	(70,703)	—	(70,703)
Total Fund Balances	2,879,666	29,657	111,483	0	3,020,806
Total Liabilities and Fund Balances	$ 2,898,715	$ 29,903	$ 193,860	$ 640,445	$ 3,762,923

State of Utah

Combining Balance Sheet
Pension Trust Funds

June 30, 1988 (Expressed in Thousands)

	Pension Funds			
	Contributory System	**Non-Contributory System**	**Public Safety System**	**Firemen's System**
Assets				
Cash and Cash Equivalents	$ 4	$ 2	$ 9	$ 2
Other Investments	—	—	—	—
Receivables:				
Accounts	3,688	5,541	1,084	374
Machinery and Equipment	—	—	—	—
Accumulated Depreciation	—	—	—	—
Equity in Investment Fund	936,398	1,497,547	259,163	119,229
Total Assets	940,090	1,503,090	260,256	119,605
Liabilities				
Vouchers Payable	—	—	—	—
Total Liabilities	0	0	0	0
Net Assets Available for Benefits	$ 940,090	$ 1,503,090	$ 260,256	$ 119,605
Fund Balances				
Pension Benefit Obligation:				
Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Not Yet Receiving Benefits	$ 625,410	$ 664,951	$ 143,341	$ 66,409
Current Employees:				
Accumulated Employee Contributions, Including Allocated Investment Income	229,372	495,814	62,336	23,996
Employer-Financed Portion	253,678	358,884	116,598	81,047
Total Pension Benefit Obligation	1,108,460	1,519,649	322,275	171,452
Unreserved but Designated:				
Actuarial Experience Reserve	8,697	24,211	3,313	1,262
Retired Actuarial Experience Reserve	16,962	10,444	3,932	1,949
Retired Excess Earnings Reserve	57,594	—	11,536	9,326
Total Unreserved But Designated	83,253	34,655	18,781	12,537
Net Assets Available for Future Pension Benefit Obligations	569	21,177	—	—
Unfunded Pension Benefit Obligation	(252,192)	(72,391)	(80,800)	(64,384)
Net Unfunded Pension Benefit Obligation	(251,623)	(51,214)	(80,800)	(64,384)
Retirement Systems' Equity	—	—	—	—
Total Fund Balances	$ 940,090	$ 1,503,090	$ 260,256	$ 119,605

Pension Funds				
Judges' System	Deferred Compensation 401K Plan	Retirement Investment Fund	Eliminations	Total June 30, 1988
$ 1	$ 385	$ 205,030	$ (11)	$ 205,422
—	29,819	2,613,482	(1,144)	2,642,157
194	—	35,899	—	46,780
—	—	6,658	—	6,658
—	—	(2,302)	—	(2,302)
14,507	—	—	(2,826,844)	0
14,702	30,204	2,858,767	(2,827,999)	2,898,715
—	—	19,049	—	19,049
0	0	19,049	0	19,049
$ 14,702	$ 30,204	$ 2,839,718	$ (2,827,999)	$ 2,879,666
$ 7,462	$ —	$ —	$ —	$ 1,507,573
3,182	30,194	—	—	844,894
9,511	—	—	—	819,718
20,155	30,194	0	0	3,172,185
200	10	—	—	37,693
221	—	—	—	33,508
243	—	—	—	78,699
664	10	0	0	149,900
—	—	—	—	21,746
(6,117)	—	—	—	(475,884)
(6,117)	0	0	0	(454,138)
—	—	2,839,718	(2,827,999)	11,719
$ 14,702	$ 30,204	$ 2,839,718	$ (2,827,999)	$ 2,879,666

Combining Statement of Revenues, Expenses and Changes in Fund Balances - Pension Trust Funds

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Pension Funds			
	Contributory System	Non-Contributory System	Public Safety System	Firemen's System
Operating Revenues:				
Investment Income	$ 130,838	$ 160,284	$ 30,266	$ 13,912
Member Contributions	58,062	75,803	19,879	6,859
Miscellaneous	—	—	—	2,208
Total Operating Revenues	188,900	236,087	50,145	22,979
Operating Expenses:				
Administrative	—	—	—	—
Depreciation	—	—	—	—
Benefit Claims	59,280	23,250	10,568	5,923
Contribution Refunds	18,593	2,500	1,923	139
Supplies and Other Miscellaneous	—	—	—	—
Total Operating Expenses	77,873	25,750	12,491	6,062
Income Before Operating Transfers	111,027	210,337	37,654	16,917
Operating Transfers In	—	699,975	—	—
Operating Transfers Out	(707,280)	—	(186)	(81)
Net Income	(596,253)	910,312	37,468	16,836
Beginning Fund Balances	1,549,755	609,727	225,989	104,241
Adjustment to Beginning Fund Balances	(13,412)	(16,949)	(3,201)	(1,472)
Adjusted Beginning Fund Balances	1,536,343	592,778	222,788	102,769
Ending Fund Balances	$ 940,090	$ 1,503,090	$ 260,256	$ 119,605

Pension Funds				
Judges' System	Deferred Compensation 401K Plan	Retirement Investment Fund	Eliminations	Total Pension Funds
$ 1,693	$ 1,490	$ 338,636	$ (333,168)	$ 343,951
439	20,489	—	—	181,531
681	—	—	—	2,889
2,813	21,979	338,636	(333,168)	528,371
—	204	1,703	—	1,907
—	—	579	—	579
616	--	—	—	99,637
1	1,322	—	—	24,478
—	—	1,949	—	1,949
617	1,526	4.231	0	128,550
2,196	20,453	334,405	(333,168)	399,821
—	32	38,236	(738,243)	0
(21)	—	—	700,007	(7,561)
2,175	20,485	372,641	(371,404)	392,260
12,706	9,719	2,502,290	(2,491,808)	2,522,619
(179)	—	(35,213)	35,213	(35,213)
12,527	9,719	2,467,077	(2,456,595)	2,487,406
$ 14,702	$ 30,204	$ 2,839,718	$ (2,827,999)	$ 2,879,666

Combining Statement of Changes in Financial Position - Pension Trust Funds

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Pension Funds			
	Contributory System	**Non-Contributory System**	**Public Safety System**	**Firemen's System**
Sources of Working Capital:				
Operations:				
Net Income (Loss)	$ (596,253)	$ 910,312	$ 37,468	$ 16,836
Items Not Requiring Working Capital:				
Depreciation	—	—	—	—
Total Sources from Operations	(596,253)	910,312	37,468	16,836
Decrease in Other Investments	608,279	—	—	—
Total Sources of Working Capital	12,026	910,312	37,468	16,836
Uses of Working Capital:				
Change in Accounting Method	13,412	16,949	3,201	1,472
Increase in Other Investments	—	891,756	34,340	15,371
Acquisition of Property and Equipment	—	—	—	—
Total Uses of Working Capital	13,412	908,705	37,541	16,843
Net Increase (Decrease) in Working Capital	$ (1,386)	$ 1,607	$ (73)	$ (7)
Elements of Net Increase (Decrease) in Working Capital:				
Cash and Cash Equivalents	$ —	$ —	$ —	$ —
Accounts Receivable/Due From Other Funds	(1,586)	1,607	(73)	(7)
Vouchers Pay./Acc. Liab./Due to Other Funds	200	—	—	—
Net Increase (Decrease) in Working Capital	$ (1,386)	$ 1,607	$ (73)	$ (7)

Pension Funds				
Judges' System	Deferred Compensation 401K Plan	Retirement Investment Fund	Eliminations	Total Pension Funds
$ 2,175	$ 20,485	$ 372,641	$ (371,404)	$ 392,260
—	—	579	—	579
2,175	20,485	373,220	(371,404)	392,839
—	—	—	—	608,279
2,175	20,485	373,220	(371,404)	1,001,118
179	—	35,213	(35,213)	35,213
1,889	21,356	414,198	(336,217)	1,042,693
—	—	199	—	199
2,068	21,356	449,610	(371,430)	1,078,105
$ 107	$ (871)	$ (76,390)	$ 26	$ (76,987)
$ —	$ (869)	$ (108,814)	$ 26	$ (109,657)
107	(2)	5,685	—	5,731
—	—	26,739	—	26,939
$ 107	$ (871)	$ (76,390)	$ 26	$ (76,987)

Combining Balance Sheet
Expendable Trust Funds

June 30, 1988 (Expressed in Thousands)

	Unemployment Compensation Trust	Employers' Reinsurance	Indian Affairs	Restricted	Total June 30, 1988
Assets					
Cash and Cash Equivalents	$ 166,261	$ —	$ 819	$ 6,510	$ 173,590
Other Investments	—	—	7,772	17	7,789
Receivables:					
Accounts	2,818	—	1,273	—	4,091
Accrued Interest	—	—	115	654	769
Due From Other Funds	—	5,632	—	1,989	7,621
Total Assets	$ 169,079	$ 5,632	$ 9,979	$ 9,170	$ 193,860
Liabilities and Fund Balances					
Liabilities:					
Vouchers Payable	$ 2,083	$ 287	$ 6	$ 98	$ 2,474
Deposits Held in Custody	149	—	—	—	149
Due to Other Funds	646	581	4	1,834	3,065
Deferred Revenue	—	—	197	—	197
Policy Claim Liabilities	—	75,467	—	1,025	76,492
Total Liabilities	2,878	76,335	207	2,957	82,377
Fund Balances:					
Reserved	166,201	—	9,772	6,213	182,186
Unreserved Undesignated	—	(70,703)	—	—	(70,703)
Total Fund Balances	166,201	(70,703)	9,772	6,213	111,483
Total Liabilities and Fund Balances	$ 169,079	$ 5,632	$ 9,979	$ 9,170	$ 193,860

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Unemployment Compensation Trust	Employers' Reinsurance	Indian Affairs	Restricted	Total June 30, 1988
Revenues:					
Federal Contracts and Grants	$ 2,899	$ —	$ —	$ 125	$ 3,024
Interest on Investments	13,506	352	759	79	14,696
Premiums and Other Collections	87,248	5,010	—	—	92,258
Miscellaneous	2,074	—	1,780	5,770	9,624
Total Revenues	105,727	5,362	2,539	5,974	119,602
Expenditures:					
General Government	—	—	—	3,338	3,338
Social Services/Claims	—	13,457	—	1,278	14,735
Community and Economic Development	—	—	2,018	—	2,018
Unemployment Claims	83,540	—	—	—	83,540
Public Education	—	—	—	605	605
Total Expenditures	83,540	13,457	2,018	5,221	104,236
Excess of Revenues Over (Under) Expenditures	22,187	(8,095)	521	753	15,366
Other Financing Sources (Uses):					
Operating Transfer Out	(815)	(75)	(57)	(1,401)	(2,348)
Excess Revenues Over (Under) Expenditures and Other Uses	21,372	(8,170)	464	(648)	13,018
Beginning Fund Balances	144,829	(62,533)	9,308	6,861	98,465
Ending Fund Balances	$ 166,201	$ (70,703)	$ 9,772	$ 6,213	$ 111,483

Combining Statement of Changes in Assets and Liabilities - All Agency Funds

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

	Balance June 30, 1987	Additions	Deductions	Balance June 30, 1988
STATE TREASURER'S INVESTMENT POOLS				
Assets				
Cash and Cash Equivalents	$ 332,180	$ 1,301,040	$ 1,162,937	$ 470,283
Other Investments	55,659	—	24,411	31,248
Receivables:				
Accrued Interest	6,934	17,015	7,030	16,919
Due From Other Funds	91	21,600	21,505	186
Total Assets	$ 394,864	$ 1,339,655	$ 1,215,883	$ 518,636
Liabilities				
Due to Other Individuals/Groups	$ 238	$ 904	$ 955	$ 187
Due to Other Taxing Units	375,007	124,029	(25)	499,061
Obligations Under Reverse Repurchase Agreements	19,619	19,413	19,644	19,388
Total Liabilities	$ 394,864	$ 144,346	$ 20,574	$ 518,636
SOCIAL SECURITY AGENCY FUND (FOR OTHER GOVERNMENTS)				
Assets				
Cash and Cash Equivalents	$ 137	$ 4	$ 38	$ 103
Total Assets	$ 137	$ 4	$ 38	$ 103
Liabilities				
Due to Other Taxing Units	$ 137	$ 33	$ 67	$ 103
Total Liabilities	$ 137	$ 33	$ 67	$ 103
SALARY DEFERRAL 457 PLAN FUND				
Assets				
Cash and Cash Equivalents	$ 22,975	$ 46,625	$ 55,221	$ 14,379
Other Investments	52,143	47,436	31,943	67,636
Receivables:				
Accrued Interest	114	910	114	910
Total Assets	$ 75,232	$ 94,971	$ 87,278	$ 82,925
Liabilities				
Due to Other Individuals/Groups	$ 75,232	$ 21,263	$ 13,570	$ 82,925
Total Liabilities	$ 75,232	$ 21,263	$ 13,570	$ 82,925
COUNTY AND LOCAL COLLECTIONS FUND				
Assets				
Cash and Cash Equivalents	$ 16,917	$ 230,771	$ 242,591	$ 5,097
Due From Other Funds	10,338	169,784	153,745	26,377
Total Assets	$ 27,255	$ 400,555	$ 396,336	$ 31,474
Liabilities				
Due to Other Individuals/Groups	$ 535	$ 1,202	$ 1,212	$ 525
Due to Other Taxing Units	26,720	204,574	200,345	30,949
Total Liabilities	$ 27,255	$ 205,776	$ 201,557	$ 31,474

Combining Statement of Changes in Assets and Liabilities - All Agency Funds

Continued

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

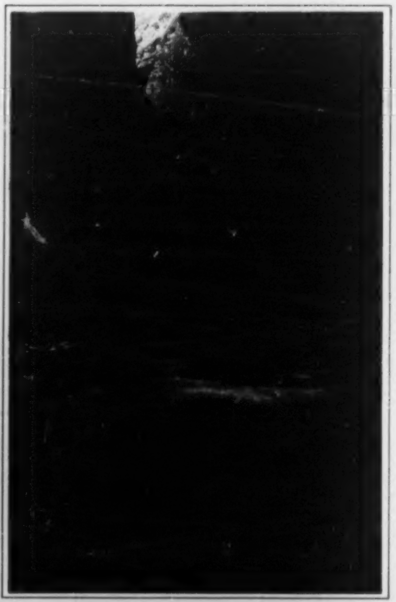
	Balance June 30, 1987	Additions	Deductions	Balance June 30, 1988
CONTRACTOR'S RETENTION FUND				
Assets				
Cash and Cash Equivalents	$ 2,517	$ 2,350	$ 4,867	$ 0
Due From Other Funds	450	651	1,101	0
Total Assets	$ 2,967	$ 3,001	$ 5,968	$ 0
Liabilities				
Due to Other Individuals/Groups	$ 2,967	$ 2,411	$ 5,378	$ 0
Total Liabilities	$ 2,967	$ 2,411	$ 5,378	$ 0
DEPOSITS, SUSPENSE, AND MISCELLANEOUS FUND				
Assets				
Cash and Cash Equivalents	$ 7,212	$ 110,387	$ 113,365	$ 4,234
Receivables:				
Accounts	31	109	—	140
Due From Other Funds	719	4,927	2,713	2,933
Total Assets	$ 7,962	$ 115,423	$ 116,078	$ 7,307
Liabilities				
Due to Other Individuals/Groups	$ 6,356	$ 7,689	$ 7,835	$ 6,210
Due to Other Taxing Units	1,606	77,713	78,222	1,097
Total Liabilities	$ 7,962	$ 85,402	$ 86,057	$ 7,307
TOTAL ASSETS AND LIABILITIES - ALL AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	$ 381,938	$ 1,691,177	$ 1,579,019	$ 494,096
Other Investments	107,802	47,436	56,354	98,884
Receivables:				
Accounts	31	109	—	140
Accrued Interest	7,048	17,925	7,144	17,829
Due From Other Funds	11,598	196,962	179,064	29,496
Total Assets	$ 508,417	$ 1,953,609	$ 1,821,581	$ 640,445
Liabilities				
Due to Other Individuals/Groups	$ 85,328	$ 33,469	$ 28,950	$ 89,847
Due to Other Taxing Units	403,470	406,349	278,609	531,210
Obligations Under Reverse Repurchase Agreements	19,619	19,413	19,644	19,388
Total Liabilities	$ 508,417	$ 459,231	$ 327,203	$ 640,445

Utah
A pretty, great state.

GENERAL FIXED ASSETS ACCOUNT GROUP

COLOR COUNTRY

The reds, pinks and sunset hues of Utah's famous national parks, blending with the deep greens of vast Dixie National Forest, create an unforgettable Color Country.



General Fixed Assets by Function and Activity

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

Function and Activity	Land	Buildings and Improvements	Equipment	Total General Fixed Assets
General Government:				
Control:				
Legislative	$ —	$ —	$ 1,115	$ 1,115
Executive	—	—	1,560	1,560
Judicial	996	4,297	4,771	10,064
Total Control	996	4,297	7,446	12,739
Government Operations:				
Administrative Services (A)	6,199	62,215	2,286	70,700
Tax Commission	—	—	5,392	5,392
Executive Reorganization	—	—	—	0
Employment Security	936	5,543	—	6,479
Personnel Review Board	—	—	7	7
Total Government Operations	7,135	67,758	7,685	82,578
Total General Government	8,131	72,055	15,131	95,317
Business, Labor and Agriculture:				
Agriculture	173	4,701	1,150	6,024
Business Regulation	—	—	1,213	1,213
Financial Institutions	—	—	80	80
Industrial Commission	—	—	538	538
Insurance Department	—	—	330	330
Public Service Commission	—	—	138	138
Total Business, Labor and Agriculture	173	4,701	3,449	8,323
Natural Resources	45,495	44,837	9,532	99,864
Higher Education	—	—	358	358
Public Education	4,852	34,113	12,998	51,963
Social Services	2,172	50,833	12,777	65,782
Corrections	580	48,777	3,991	53,348
Health	9	3,607	8,767	12,383
Public Safety	3,480	19,058	10,703	33,241
Transportation	12,951	40,944	6,123	60,018
Community & Economic Development	85	7,970	5,472	13,527
Total General Fixed Assets Allocated to Functions	$ 77,928	$ 326,895	$ 89,301	494,124
Construction-In-Progress				66,204
Total General Fixed Assets				$ 560,328

(A) Administrative Services' assets include the general buildings and land of the State.

Changes in General Fixed Assets by Function and Activity

For the Fiscal Year Ended June 30, 1988 **(Expressed in Thousands)**

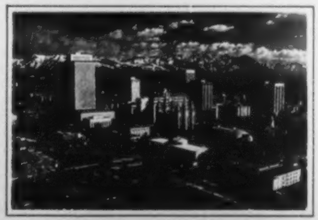
Function and Activity	General Fixed Assets June 30, 1987	Additions	Retirements	General Fixed Assets June 30, 1988
General Government:				
Control:				
Legislative	$ 1,012	$ 183	$ 80	$ 1,115
Executive	1,284	362	86	1,560
Judicial	8,529	1,535	—	10,064
Total Control	10,825	2,080	166	12,739
Government Operation:				
Administrative Services (A)	71,568	1,682	2,550	70,700
Tax Commission	4,245	1,267	120	5,392
Employment Security	6,718	—	239	6,479
Personnel Review Board	7	—	—	7
Total Government Operations	82,538	2,949	2,909	82,578
Total General Government	93,363	5,029	3,075	95,317
Business, Labor and Agriculture:				
Agriculture	5,766	364	106	6,024
Business Regulation	1,094	342	223	1,213
Financial Institutions	59	21	—	80
Industrial Commission	505	33	—	538
Insurance Department	323	7	—	330
Public Service Commission	115	34	11	138
Total Business, Labor and Agriculture	7,862	801	340	8,323
Natural Resources	92,330	7,972	438	99,864
Higher Education	344	23	9	358
Public Education	43,616	8,708	361	51,963
Social Services	54,057	12,382	657	65,782
Corrections	47,465	6,045	162	53,348
Health	11,614	1,497	728	12,383
Public Safety	32,285	2,264	1,308	33,241
Transportation	116,614	851	57,447	60,018
Community & Economic Development	13,570	212	255	13,527
Total General Fixed Assets Allocated to Functions	513,120	45,784	64,780	494,124
Construction-In-Progress (B)	55,427	25,930	15,153	66,204
Total General Fixed Assets	$ 568,547	$ 71,714	$ 79,933	$ 560,328

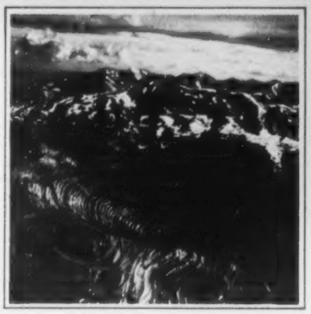
(A) Administrative Services' assets include the general buildings and land of the State.

(B) Retirements of Construction-In-Progress are transferred as additions to Land and Buildings.

GREAT SALT LAKE COUNTRY

Big city delights, snow-capped mountain sights, world-famous historical and cultural sites may all be viewed by simply standing still in downtown Salt Lake City. A few more steps or miles makes for a "great" Salt Lake vacation.





COLLEGE AND UNIVERSITY FUNDS

The College and University Funds are maintained to account for the operations of public institutions of higher education. These institutions maintain their own financial records which are not a part of the central accounting system of the State. The two universities and seven colleges that make up the institutions of higher education are:

University of Utah
Utah State University
Weber State College
Southern Utah State College
Snow College
Dixie College
College of Eastern Utah
Salt Lake Community College
Utah Valley Community College

Combining Balance Sheet
All College and University Funds

June 30, 1988 (Expressed in Thousands)

	Current Funds				
	Unrestricted	Restricted	Loan Funds	Endowment and Similar Funds	Agency Funds
Assets					
Cash and Cash Equivalents	$ 54,719	$ 23,588	$ 1,519	$ 26,064	$ 1,620
Other Investments	53,724	23,417	683	33,913	1,316
Receivables:					
Accounts	44,707	20,595	2,423	90	252
Notes	1,303	108	32,318	169	—
Accrued Interest	1,877	1,093	139	7	—
Due From Other Funds	2,978	—	—	5,171	—
Inventories	13,205	10	—	—	88
Prepaid Expenses	5,380	1,460	—	1,567	20
Deferred Compensation Plan Assets	—	—	—	—	4,289
Land	—	—	—	—	—
Buildings and Improvements	—	—	—	—	—
Machinery and Equipment	—	—	—	—	468
Construction-In-Progress	—	—	—	—	—
Total Assets	$ 177,893	$ 70,271	$ 37,082	$ 66,981	$ 8,053
Liabilities and Fund Balances					
Liabilities:					
Vouchers Payable	$ 34,083	$ 6,794	$ 4	$ 39	$ 1,123
Contracts Payable	—	—	—	—	—
Accrued Liabilities	31,149	1,347	—	—	2
Deposits Held in Custody	120	—	—	—	2,404
Due to Other Funds	3,427	2,837	—	—	12
Deferred Revenue	7,666	3,510	—	10	223
Notes Payable	123	—	—	—	—
Revenue Bonds Payable	—	—	—	—	—
Deferred Compensation Plan Liability	—	—	—	—	4,289
Total Liabilities	76,568	14,488	4	49	8,053
Fund Balances:					
Investment in Fixed Assets	—	—	—	—	—
Reserved for:					
Encumbrances	10,115	14,104	—	—	—
Restricted Fund Balances	—	41,251	33,278	759	—
Endowment and Similar Funds	—	—	—	34,469	—
Unreserved:					
Designated - Other	90,191	428	3,800	31,704	—
Undesignated	1,019	—	—	—	—
Total Fund Balances	101,325	55,783	37,078	66,932	0
Total Liabilities and Fund Balances	$ 177,893	$ 70,271	$ 37,082	$ 66,981	$ 8,053

Plant Funds				
Unexpended	Renewal and Replacements	Retirement of Indebtedness	Investment in Plant	Total June 30, 1988
$ 18,973	$ 3,880	$ 4,759	$ —	$ 135,122
24,812	6,124	5,659	—	149,648
39,014	182	128	—	107,391
111	—	—	—	34,009
44	16	19	—	3,195
6	259	—	—	8,414
—	—	—	—	13,303
76	127	980	—	9,610
—	—	—	—	4,289
—	—	—	19,871	19,871
—	—	—	635,437	635,437
—	—	—	349,517	349,985
560	—	—	41,715	42,275
$ 83,596	$ 10,588	$ 11,545	$ 1,046,540	$ 1,512,549
$ 2,359	$ —	$ 579	$ —	$ 44,981
—	—	—	3,175	3,175
—	—	151	95	32,744
4	—	—	—	2,528
4,203	105	13	1,233	11,830
140	—	3	—	11,552
1,000	—	—	3,650	4,773
3,981	—	—	65,946	69,927
—	—	—	—	4,289
11,687	105	746	74,099	185,799
—	—	—	972,441	972,441
22,745	862	722	—	48,548
53,804	8,342	10,675	—	148,109
—	—	—	—	34,469
(5,066)	1,249	(597)	—	121,709
426	30	(1)	—	1,474
71,909	10,483	10,799	972,441	1,326,750
$ 83,596	$ 10,588	$ 11,545	$ 1,046,540	$ 1,512,549

Utah

A pretty, great state.

DINOSAURLAND

Utah's tallest snow-capped peaks tower over a land of lakes and red gorges where dinosaurs once roamed.

STATISTICAL SECTION

The Statistical Section gives report users a better historical perspective of financial information that may assist in assessing current financial status and trends of the State. In addition, certain demographic and economic data have been presented that will allow a broader understanding of the economic and social environment in which State government operates.

General Governmental Expenditures by Function(A)

For the Last Ten Fiscal Years **(Expressed in Thousands)**

Function	Fiscal Year Ended June 30 Unaudited 1979(B)	1980(B)	1981(B)	1982	1983	1984	1985	1986	1987	1988
General Government	$ 80,532	$ 82,394	$ 83,760	$ 95,421	$ 120,833	$ 128,852	$ 118,186	$ 134,201	$ 140,006	$ 149,223
Business, Labor and Agriculture	11,223	13,022	14,481	15,130	18,721	20,729	21,858	22,777	22,470	21,069
Community and Economic Development	14,984	18,088	18,573	22,280	24,605	48,615	67,695	57,268	58,571	52,648
Higher Education	138,690	149,556	167,431	184,566	206,290	205,319	239,249	254,139	251,218	263,473
Natural Resources	27,098	37,808	40,409	39,732	38,270	47,293	50,585	58,669	54,855	57,657
Social Services, Corrections, and Health	264,860	276,837	337,239	354,070	420,216	457,911	495,188	563,546	606,107	626,609
Public Education	357,795	404,060	453,956	498,562	569,926	575,231	647,128	734,862	743,529	787,773
Transportation and Public Safety	186,004	247,952	237,313	215,169	225,686	324,688	410,168	386,868	343,809	351,680
Capital Outlay	73,884	78,426	74,052	49,826	71,068	58,550	67,717	82,783	125,138	62,463
Debt Service	11,975	18,009	8,116	18,128	20,641	82,112	94,024	74,203	91,004	58,447
Total Expenditures All Governmental Fund Types	$ 1,167,045	$ 1,326,152	$ 1,435,330	$ 1,492,884	$ 1,716,256	$ 1,949,300	$ 2,211,798	$ 2,369,316	$ 2,436,707	$ 2,431,042

(A) Note: This summary includes expenditures of the State's governmental fund types which include the General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), Capital Projects Fund, and Debt Service Fund. General Fund appropriations to the colleges and universities reported as transfers in the financial statements have been included here as Higher Education expenditures.

(B) Note: The information for fiscal years 1979 through 1981 was taken from financial reports and budget documents that were not prepared in accordance with GAAP and may not be strictly comparable with later years.

General Revenues by Source(A)

For the Last Ten Fiscal Years **(Expressed in Thousands)**

	Fiscal Year Ended June 30									
	Unaudited 1979(C)	1980(C)	1981(C)	1982	1983	1984	1985	1986	1987	1988
Unrestricted:										
Sales Taxes	$ 291,287	$ 321,089	$ 347,380	$ 385,033	$ 388,687	$ 488,455	$ 539,621	$ 542,751	$ 559,116	$ 616,091
Individual Income Tax	226,784	265,328	294,817	330,840	346,610	389,959	434,873	453,537	533,190	530,692
Corporation Franchise Tax	32,874	40,377	40,665	40,894	34,882	53,227	65,918	84,048	69,409	83,427
Motor & Special Fuel Tax	71,223	70,921	66,675	80,406	81,289	83,428	107,128	111,533	120,612	156,924
Licenses, Permits & Fees	23,297	26,957	30,810	34,695	42,638	44,522	46,723	48,605	51,215	52,608
Liquor Control Profits(B)	12,992	15,054	17,604	19,163	19,005	19,475	18,867	19,008	17,177	15,918
Local School Districts	14,380	14,045	6,999	--	1,740	—	—	—	—	—
Interest on Investments	28,626	35,736	32,024	40,077	37,930	42,048	39,879	22,154	11,777	12,760
Misc. Tax & Other	36,282	(5,876)	48,809	62,976	65,361	98,811	114,233	115,590	94,991	106,959
Total Unrestricted	737,745	783,631	885,783	994,084	1,018,142	1,219,925	1,367,242	1,397,226	1,457,487	1,575,379
Restricted:										
Restricted Sales Tax	—	—	—	—	—	36,686	15,486	15,626	—	—
Federal Contracts & Grants	288,128	375,652	414,944	420,475	467,603	556,065	633,059	715,689	694,327	670,255
Departmental Collections	39,500	29,563	58,395	42,518	53,407	57,269	65,499	69,239	76,340	86,106
Public Education Dedicated Credits	1,090	252	95	225	77	82	59	—	9	75
Aeronautics	3,200	4,205	6,347	2,619	3,821	8,818	13,648	13,381	11,093	17,979
Federal Mineral Lease	12,552	14,933	18,153	75,423	36,163	37,468	34,190	32,578	22,384	28,836
Intergovernmental	7,120	20,765	26,709	13,361	20,402	18,518	11,340	19,432	18,406	14,671
Interest on Investments	—	—	—	2,477	818	3,813	2,045	10,879	16,694	15,339
Miscellaneous	26,478	45,693	22,906	17,232	20,592	15,697	20,883	15,684	23,608	18,569
Total Restricted	378,068	491,063	547,549	574,330	602,883	734,416	796,209	892,508	862,861	851,830
Total Revenues	$ 1,115,813	$ 1,274,694	$ 1,433,332	$ 1,568,414	$ 1,621,025	$ 1,954,341	$ 2,163,451	$ 2,289,734	$ 2,320,348	$ 2,427,209

(A) Note: This summary includes revenues of the State governmental fund types which include the General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), Capital Projects Fund, and Debt Service Fund.

(B) Note: In the fiscal year June 30, 1982 through 1988 Financial Reports, Liquor Control Profits were reported as a transfer to the General Fund rather than as a free revenue source.

(C) Note: The information for fiscal years 1979 through 1981 was taken from financial reports and budget documents that were not prepared in accordance with GAAP and may not be strictly comparable with later years.

General Obligation Bonds
Ratio of Net General Bonded Debt to Reasonable Fair Cash Value and Net Bonded Debt Per Capita

GENERAL OBLIGATION BONDS

Article XIV, Section 1, of the Utah Constitution limits the State to a total general obligation debt not to exceed 1.5% of the value of the taxable property of the State. Using the latest valuation made in 1988, the debt limit of the State at June 30, 1988 was $800,144,000. During the fiscal year ended June 30, 1988, the State issued $64,200,000 of Capital Building bonds. This issue brought the State's total general obligation debt outstanding at June 30, 1988 to $291,005,000. Therefore, under the law, the State has $509,139,000 of additional borrowing capacity.

	MATURITY DATES	ORIGINAL ISSUES	OUTSTANDING JUNE 30, 1988
1975 Building Issue	1981-1988	$ 70,000,000	$ 9,000,000
1978 Building Issue	1982-1989	$ 25,115,000	10,000,000
1978 Water Issue	1981-1989	$ 25,000,000	10,200,000
1980 Water Issue	1981-1989	$ 11,000,000	3,000,000
1982 Water Issue	1982-1989	$ 14,000,000	9,000,000
1984 Refunding Issue	1987-1990	$ 29,490,000	15,490,000
1985B Refunding Issue	1987-1991	$ 81,135,000	78,885,000
1986 Various Purpose Issue	1988-1993	$ 91,230,000	91,230,000
1987 Capital Facility Issue	1991-1994	$ 58,475,000	58,475,000
1988 Lease Acquisition Issue	1991	$ 5,725,000	5,725,000
Total General Obligation Bonds			$ 291,005,000

RATIO OF NET GENERAL BONDED DEBT TO REASONABLE FAIR CASH VALUE AND NET BONDED DEBT PER CAPITA

For The Last Ten Fiscal Years

		(Expressed in Thousands)							
FISCAL YEAR	POPULATION	REASONABLE FAIR CASH VALUE(B)	GROSS BONDED DEBT	DEBT SERVICE MONIES AVAILABLE	DEBT PAYABLE FROM ENTERPRISE REVENUES	DEBT PAYABLE FROM COLLEGE & UNIVERSITY REVENUES	NET BONDED DEBT(A)	RATIO OF NET BONDED DEBT TO REASONABLE FAIR CASH VALUE	NET BONDED DEBT PER CAPITA
1979	1,416,000	$ 20,964,000	$ 434,070	$ 3,225	$ 251,614	$ 57,341	$ 121,890	.58%	$ 86
1980	1,472,000	22,408,000	577,960	1,834	407,272	57,198	111,656	.50%	76
1981	1,515,000	30,055,000	628,060	11,837	408,949	65,621	141,653	.47%	94
1982	1,558,000	33,135,000	761,551	8,607	539,261	63,965	149,718	.45%	96
1983	1,595,000	40,703,333	955,881	6,317	585,782	64,149	299,633	.74%	188
1984	1,623,000	46,531,667	1,045,037	48,489	644,230	62,627	289,691	.62%	178
1985	1,645,000	46,356,150	1,211,854	48,829	852,701	50,108	260,216	.56%	158
1986	1,665,000	50,155,060	1,188,306	23,837	839,521	67,885	257,063	.51%	154
1987	1,680,400	53,021,759	1,240,545	4,661	893,806	65,484	276,594	.52%	165
1988 est.	1,711,000	53,342,907	1,364,093	6,767	981,876	69,927	305,523	.57%	179

(A) Note: Includes general obligation bonds plus revenue bonds whose repayment is funded through governmental type fund operations or appropriations.

(B) Note: Beginning in 1986, the Utah State Tax Commission determined assessed property values on a reasonable fair cash basis. Years 1979 through 1985 have been restated to reflect the change from assessed value to reasonable fair cash basis.

Calculation of Legal Debt Limits
General Obligation Bonded Debt Per Capita
Ratio of Bonded Debt to Reasonable Fair Cash Value

For the Last Ten Fiscal Years

CALCULATION OF LEGAL DEBT LIMITS

(Expressed in Millions)

	FISCAL YEAR ENDED JUNE 30									
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
State Assessed Property Value (A)	$ 5,241	$ 5,602	$ 6,011	$ 6,627	$ 7,227	$ 8,242	$ 8,207	$ 8,877	$ 47,258	$ 47,506
Legislated Percent (B)	25%	25%	20%	20%	(C)	(D)	(E)	(F)	N/A	N/A
Reasonable Fair Cash Value (Assessed Value Divided by %)	20,964	22,408	30,055	33,135	40,703	46,532	46,356	50,155(A)	53,021(A)	53,343(A)
Debt Limit (Reasonable Fair Cash Value Times 1.5%)	314	336	451	497	611	698	695	752	795	800
General Obligation Bonded Debt	(125)	(113)	(125)	(129)	(237)	(272)	(230)	(218)	(255)	(291)
Additional General Obligation Debt Incurring Capacity	$ 189	$ 223	$ 326	$ 368	$ 374	$ 426	$ 465	$ 534	$ 540	$ 509

(A) Source: Utah State Tax Commission
(B) Source: Section 59-5-1 and 59-2-103 *Utah Code Annotated, 1953*, as amended
(C) $2,741,000 valued at 15% and $4,486,000 valued at 20%
(D) $3,193,000 valued at 15% and $5,049,000 valued at 20%
(E) $3,193,200 valued at 15% and $5,013,513 valued at 20%
(F) $3,462,016 valued at 15% and $5,414,992 valued at 20%

GENERAL OBLIGATION BONDED DEBT PER CAPITA

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Net General Obligation Bonded Debt Per Capita	$ 88.35	$ 77.10	$ 82.17	$ 83.01	$ 148.56	$ 167.55	$ 139.64	$ 130.93	$ 151.88	$ 170.08

RATIO OF BONDED DEBT TO REASONABLE FAIR CASH VALUE

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Ratio of Bonded Debt to Reasonable Fair Cash Value (A)	.58%	.50%	.47%	.45%	.74%	.62%	.56%	.51%	.52%	.57%

(A) Bonded debt for this calculation includes general obligation bonds and revenue bonds whose repayment is funded through governmental fund operations or appropriations.

Ratio of Debt Service Expenditures to General and to All Governmental Fund Type Expenditures

Last Ten Fiscal Years **(Expressed in Millions)**

	FISCAL YEAR ENDED JUNE 30									
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
General Fund Expenditures	$ 565	$ 603	$ 691	$ 739	$ 859	$ 953	$ 1,036	$ 1,137	$ 1,185	$ 1,217
Debt Service Expenditures	$ 12	$ 18	$ 8	$ 18	$ 21	$ 53	$ 94	$ 71	$ 84	$ 53
Ratio Debt Service to General Fund Expenditures	2.12%	2.99%	1.16%	2.44%	2.44%	5.56%	9.07%	6.24%	7.09%	4.35%
Total All Governmental Funds Expenditures	$ 1,167	$ 1,326	$ 1,435	$ 1,493	$ 1,716	$ 1,949	$ 2,212	$ 2,369	$ 2,437	$ 2,432
Ratio Debt Service Expenditures to All Governmental Funds Expenditures	1.03%	1.36%	0.56%	1.21%	1.22%	2.72%	4.25%	2.99%	3.45%	2.18%

Enterprise Funds Revenue Bond Coverage

Revenue Bonds/Notes

ENTERPRISE FUNDS - REVENUE BOND COVERAGE
For the Last Ten Fiscal Years (Expressed in Thousands)

FISCAL YEAR	GROSS REVENUES	DIRECT OPERATING EXPENSES(A)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1979	$ 15,807	$ 853	$ 14,954	$ —	$ 10,074	$ 10,074	1.48
1980	29,208	1,615	27,593	3,920	17,713	21,633	1.28
1981	41,530	8,845	32,685	6,450	26,316	32,766	1.00
1982	36,386	3,307	35,079	8,575	26,575	35,150	1.00
1983	57,015	3,257	53,758	19,905	43,071	62,976	.85
1984	68,814	3,076	65,738	88,690	51,464	140,154	.47
1985	83,909	3,944	79,965	21,200	64,287	85,487	.94
1986	93,305	5,336	87,969	21,269	74,854	96,123	.92
1987	84,880	8,158	76,722	185,571	71,793	257,364	.30
1988	84,644	6,245	78,399	99,709	74,950	174,659	.45

Enterprise Funds Revenue Bond coverage included bonds from the Utah Housing Finance Agency and the Student Assistance Programs.

(A) Does not include interest expense.

REVENUE BONDS/NOTES

In addition to general obligation debt, several issues of revenue bonds/notes were outstanding at June 30, 1988.

The Utah Housing Finance Agency has issued mortgage purchase bonds to provide adequate sources of capital for housing for low and moderate income families. The bonds, totaling $958,194,000, are to be repaid from mortgage payments.

The Board of Regents issued Student Loan Bonds to guarantee repayment of eligible student loans and to make loans to eligible students. The bonds are financed and repaid from student interest and loan payments and federal allowances. Outstanding bonds at June 30, 1988, net of unamortized discount, total $23,682,000.

The State of Utah issued Certificates of Participation to finance certain equipment purchases for use by various State departments. The departments make payments which are used to repay the certificates. Outstanding certificates at June 30, 1988 totaled $21,285,000.

The Colleges and Universities have issued bonds for various purposes including student housing, special events centers and student unions. The bonds are secured by the related assets, student building fees and other income of certain college activities. Outstanding bonds at June 30, 1988 totaled $69,927,000.

In the opinion of the bond counsel, the revenue bonds are not a debt, liability, or general obligation of the State of Utah and, therefore, do not impair the legal borrowing capacity of the State.

Revenue Bonds/Notes

REVENUE BONDS	MATURITY DATES	ORIGINAL ISSUES	OUTSTANDING JUNE 30, 1988
Utah Housing Finance Agency:			
Single Family Mortgages			
1977 Series A	1979–2008	$ 75,000,000	$ 49,515,000
1978 Series A	1980–2009	$ 70,000,000	47,935,000
1979 Series A	1980–2010	$ 56,980,000	43,825,000
1980 Series A	1981–2011	$ 100,000,000	78,790,000
1980 Series B	1981–2011	$ 50,000,000	38,250,000
1982 Series A	1984–1999	$ 121,765,000	10,575,000
1983 Series A	1985–2015	$ 51,190,000	45,535,000
1983 Series R	1986–2016	$ 147,060,000	120,813,000
1984 Series A	1987–2016	$ 198,300,000	75,698,000
1986 Series A	1993–2016	$ 91,015,000	52,625,000
1986 Series B	1993–2016	$ 13,360,000	13,360,000
1987 Series A	1993–2016	$ 38,322,000	38,322,000
1987 Series B	2006–2016	$ 28,386,000	28,386,000
1987 Series C	2000	$ 2,249,000	2,249,000
1987 Series D	1989–2019	$ 27,640,000	27,640,000
1987 Series E	1989–2019	$ 36,835,000	36,835,000
1987 Series F	1990–2019	$ 32,920,000	32,920,000
1987 Series G	1990–2019	$ 22,815,000	22,815,000
1988 Series A	1990–2019	$ 25,000,000	25,000,000
1988 Series B	1990–2019	$ 25,000,000	25,000,000
1988 Series C	1990–2019	$ 50,000,000	50,000,000
1988 Series D	1990–2019	$ 25,000,000	25,000,000
Subtotal			$ 891,088,000
Multi-Family Mortgages			
1978 Series A	2005–2021	$ 3,295,000	$ 3,150,000
1979 Series A	1981–2022	$ 9,375,000	9,020,000
1982 Series A	2024	$ 17,015,000	16,940,000
1982 Series B	1985–2024	$ 5,565,000	5,400,000
1983 Series A	1985–2024	$ 1,420,000	1,375,000
1983 Series 7 and 9	1996	$ 8,210,000	8,050,000
1985 Series A	1988–1998	$ 31,305,000	9,721,000
1985 Series B	2007	$ 6,500,000	6,450,000
1988 Series A	1988	$ 7,000,000	7,000,000
Subtotal			$ 67,106,000
Total Utah Housing Finance Agency Bonds			$ 958,194,000
Board of Regents:			
1979 Student Loan Bonds Net of Unamortized Discount	1979–1996	$ 47,400,000	$ 23,682,000
Utah State Bonding Commission:			
1984A Certificate of Participation	1985–1991	$ 34,490,000	$ 21,285,000
Colleges and Universities:			
Revenue Bonds	1989–2016	$ 97,399,000	$ 69,927,000

Population

Taxable Sales, Personal Income

POPULATION

Utah's population grew faster during the decade from 1970 through 1980 than at any other time in its history. During that period, there was approximately a 406,000 person increase or 38% growth rate. This growth rate was significantly higher than the national average which was approximately 11%, and slightly higher than the mountain states growth rate which was approximately 37% for the same period. The State's growth rate slowed somewhat after 1982. However, population estimates suggest that Utah's population will be over 2 million by the year 2000.

Utah's population is concentrated in the four-county area along the Wasatch Mountain front which includes the Salt Lake City-County area and the surrounding counties of Utah, Davis and Weber with approximately 1,293,000 people or 77% of the total population as of July 1, 1987 estimates.

YEAR	POPULATION
1940	552,000
1950	696,000
1960	900,000
1970	1,066,000
1980	1,472,000
1981	1,515,000
1982	1,558,000
1983	1,595,000
1984	1,623,000
1985	1,645,000
1986	1,665,000
1987	1,680,000
1988 est.	1,711,000

Source: "Statistical Review of Government in Utah" prepared by Utah Foundation from U.S. Bureau of Census Reports and estimates of the Utah Population Estimates Committee.

TAXABLE RETAIL SALES AND PERSONAL INCOME

The following table shows the gross taxable retail sales, total personal income, and per capita income in Utah for the last ten years.

YEAR ENDED DECEMBER 31	GROSS TAXABLE RETAIL SALES(A) (in millions)	TOTAL PERSONAL INCOME(B) (in millions)	PER CAPITA PERSONAL INCOME(B)	PER CAPITA PERCENT OF CHANGE FROM PREVIOUS YEAR
1978	$ 7,349	$ 8,811	$ 6,459	11.1%
1979	8,131	10,007	7,067	9.4
1980	8,691	11,223	7,624	7.9
1981	9,857	12,619	8,329	9.2
1982	10,020	13,788	8,850	6.3
1983	10,716	14,575	9,138	3.3
1984	12,294	16,052	9,890	8.2
1985	12,574	17,011	10,341	4.6
1986	12,378	17,892	10,746	3.9
1987	12,188	18,894	11,246	4.7

(A) Source: Utah State Tax Commission based on Sales and Use tax reports.

(B) Source: 1978 through 1983 "Statistical Review of Government in Utah" compiled by the Utah Foundation from reports of the U.S. Department of Commerce. The amounts for 1984 to 1987 from the Utah Department of Employment Security.

Personal Income by Sector

(Expressed in Millions)

	1982	1983	1984	1985	1986	PERCENT OF GROSS 1986	
						UTAH	U.S.
Government Sector							
Federal Civilian	$ 804	$ 861	$ 920	$ 1,009	$ 1,026	5.4%	2.3%
Federal Military	142	160	174	187	199	1.0	1.1
State and Local	1,275	1,381	1,483	1,674	1,807	9.5	7.6
Transfer Payments	1,805	1,972	2,001	2,306	2,511	13.2	14.1
Total Government	4,026	4,374	4,578	5,176	5,543	29.1	25.1
Private Sector							
Manufacturing	1,850	1,941	2,250	2,359	2,368	12.4	14.8
Mining	605	463	449	374	329	1.7	1.0
Construction	661	699	849	1,099	1,041	5.5	4.5
Trade	1,693	1,802	1,975	2,211	2,311	12.1	11.3
Finance	507	531	599	696	771	4.0	5.0
Transportation, Utilities and Communications	966	1,068	1,120	1,201	1,202	6.3	4.9
Services and Other Non-Farm	1,762	1,920	2,165	2,645	2,910	15.3	16.1
Dividends, Interest, Rent	2,329	2,416	2,789	2,244	2,439	12.8	16.1
Net Farm Income	101	89	106	73	143	0.8	1.2
Total Private	10,474	10,929	12,302	12,902	13,514	70.9	74.9
Gross Personal Income	$ 14,500	$ 15,303	$ 16,880	$ 18,078	$ 19,057	100.0%	100.0%

Source: "Statistical Review of Government in Utah" compiled by the Utah Foundation from reports of the U.S. Department of Commerce. Information for years 1987 and 1988 is not yet available.

Composition of Civilian Work Force

Average Annual Unemployment Rate

COMPOSITION OF CIVILIAN WORK FORCE MONTHLY AVERAGE

	1960	1970	1980	June 1985	June 1987	June 1988
Government						
Federal	28,060	41,088	37,090	40,100	40,274	39,396
State:						
Education	6,153	13,666	17,571	19,064	20,388	20,626
Non-Education	5,372	9,856	14,703	16,036	17,335	17,263
Local	22,685	35,488	55,682	62,700	63,762	64,131
Total Government	62,270	100,098	125,046	137,900	141,759	141,416
Mining	14,131	12,854	18,500	9,300	7,711	8,281
Construction	14,851	14,708	31,549	38,000	29,877	24,958
Manufacturing	47,549	55,973	87,700	94,500	91,274	95,165
Transportation, Communications and Utilities	22,257	23,128	34,120	36,800	37,461	38,334
Trade	58,816	79,208	128,678	148,200	154,128	153,089
Finance, Insurance and Real Estate	11,292	14,977	25,768	31,000	33,473	33.782
Service and Miscellaneous	31,897	56,009	99.426	130,100	141,131	151,806
Other and Agriculture	45,737	32,045	34,513	66,400	74,986	66,069
Total Employed	308,800	389,000	585,300	692,200	711,800	712,900
Unemployed	15,500	25,200	33,500	42,100	48,300	42,800
Total Labor Force	324,300	414,200	618,800	734,300	760,100	755,700

Source: 1960 through 1980 "Statistical Review of Government in Utah" prepared by the Utah Foundation from reports and records of the Utah Department of Employment Security. Numbers for 1985, 1987 and the 1988 forecast were prepared from reports of the Utah Department of Employment Security.

AVERAGE ANNUAL UNEMPLOYMENT RATE FOR THE LAST FIVE FISCAL YEARS

YEAR	UTAH(A)	U.S.(B)
1984	7.5%	7.5%
1985	6.2%	7.3%
1986	5.8%	7.3%
1987	6.4%	6.7%
1988	5.7%	5.8%

Source: (A) Utah Department of Employment Security
(B) Employment and Earnings - Bureau of Labor Statistics

Gross Taxable Retail Sales and Use Tax Purchases

Bank Deposits

GROSS TAXABLE RETAIL SALES AND USE TAX PURCHASES FOR THE LAST FIVE FISCAL YEARS (Expressed in Thousands)

	Gross Retail Sales and Purchases					Percent Change	Percent Change
	1984	1985	1986	1987	1988	1986 to 1987	1987 to 1988
Major Industry:							
Agriculture, Forestry and Fishing	$ 8,500	$ 9,382	$ 8,701	$ 9,488	$ 9,850	9.0%	3.8%
Mining	200,835	190,755	118,459	90,299	117,890	(23.8)	30.6
Construction	270,353	342,746	299,243	213,424	187,505	(28.7)	(12.1)
Manufacturing	868,110	968,172	948,582	787,617	689,629	(17.0)	(12.4)
Transportation	57,203	66,694	54,569	43,364	51,060	(20.5)	17.7
Communications	293,256	308,709	329,583	381,307	373,465	15.7	(2.1)
Electric, Gas and Sanitation	687,289	858,057	803,160	813,077	724,023	1.2	(11.0)
Wholesale Trade	1,379,250	1,432,277	1,370,784	1,191,521	1,149,858	(13.1)	(3.5)
Retail - Building and Garden	471,467	531,630	528,301	547,637	495,163	3.7	(9.6)
Retail - General Merchandise	852,071	883,111	918,227	959,006	1,015,105	4.4	5.8
Retail - Food Stores	1,443,342	1,539,602	1,695,255	1,819,272	1,850,758	7.3	1.7
Retail - Motor Vehicle Dealers Etc	1,175,413	1,326,899	1,368,249	1,422,350	1,322,196	4.0	(7.0)
Retail - Apparel and Accessories	270,585	301,865	326,206	329,138	350,054	0.9	6.4
Retail - Furniture and Home Furnishings	380,436	437,087	444,053	491,231	454,855	10.6	(7.4)
Retail - Eating and Drinking Places	545,225	607,372	667,022	698,689	716,631	4.7	2.6
Retail - Miscellaneous	730,386	830,779	817,798	749,991	786,188	(8.3)	4.8
Finance, Insurance and Real Estate	47,991	51,574	61,912	73,784	69,303	19.2	(6.1)
Services	1,135,595	1,378,376	1,364,676	1,385,659	1,546,366	1.5	11.6
Public Administration	76,490	101,552	72,450	78,412	81,367	8.2	3.8
Private Motor Vehicle Sales	204,301	222,716	213,524	216,240	187,969	1.3	(13.1)
Occasional Retail Sales	36,235	19,231	36,459	12,743	33,733	(65.0)	164.7
Nondisclosable	36,990	22,812	34,627	24,122	26,685	(30.3)	10.6
Total	$ 11,171,323	$ 12,431,398	$ 12,481,840	$ 12,338,371	$ 12,239,653	(1.1)%	(0.8)%

Source: Utah State Tax Commission

BANK DEPOSITS LAST TEN YEARS

YEAR ENDED	BANK DEPOSITS (Expressed in Thousands)(A)
June 30,	
1988	$ 14,607,639
1987	$ 15,478,452
1986	$ 14,221,106
1985	$ 13,261,869
1984	$ 12,893,639
1983	$ 11,841,786
1982	$ 10,480,883
December 31,	
1981	$ 10,535,063
1980	$ 10,702,840
1979	$ 8,981,874

(A) Note: Figures do not include National Credit Unions.

Source: Utah Department of Financial Institutions

Largest Employers

As of March 1988

	Number of Employees(A)
Hill Air Force Base	13,500
State of Utah	13,000
Brigham Young University	12,500
University of Utah	12,000
Morton-Thiokol, Inc.	8,000
Granite School District	7,000
Jordan School District	6,000
U.S. Treasury Dept. - IRS	5,500
Utah State University	5,500
Utah Power & Light	4,500
Hercules Corp.	4,500
Smith's Management Corp.	4,000
Davis County School District	4,000
U.S. Post Offices	4,000
Tooele Army Depot	4,000
Delta Airlines	3,500
Salt Lake County	3,500
Alpine School District	3,500
Unisys Corp. (Sperry)	3,500
Pro-Benefit Staffing, Inc.	3,500
ZCMI	3,000
Albertson's, Inc.	3,000
Mountain States Tel. & Tel.	3,000
Salt Lake City School District	3,000
LDS Hospital	2,500
Kennecott Corp.	2,500
Salt Lake City Corp.	2,500
Weber County School District	2,500
Weber State College	2,000
Defense Depot - Ogden	2,000
K-Mart Corp.	2,000
Basic Manufacturing & Tech	2,000
Healthtrust, Inc.	2,000
Union Pacific Railroad	2,000
Utah Valley Regional Med Center	2,000

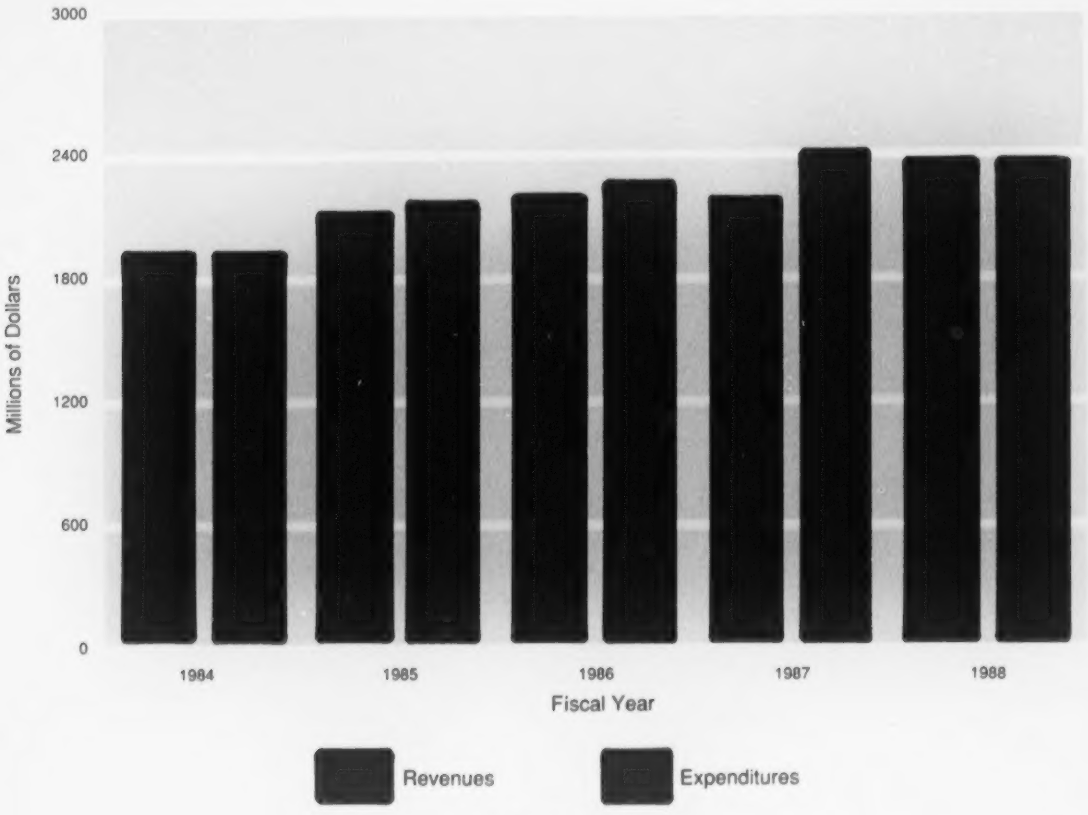
NOTE: The Church of Jesus Christ of Latter-Day Saints remains one of the State's largest employers, however, figures were not available for 1988.

Sources: State of Utah from State Payroll Coordinator; all others from Utah Department of Employment Security.

(A) All amounts are rounded.

Revenues and Expenditures All Governmental Fund Types

For the Last Five Fiscal Years



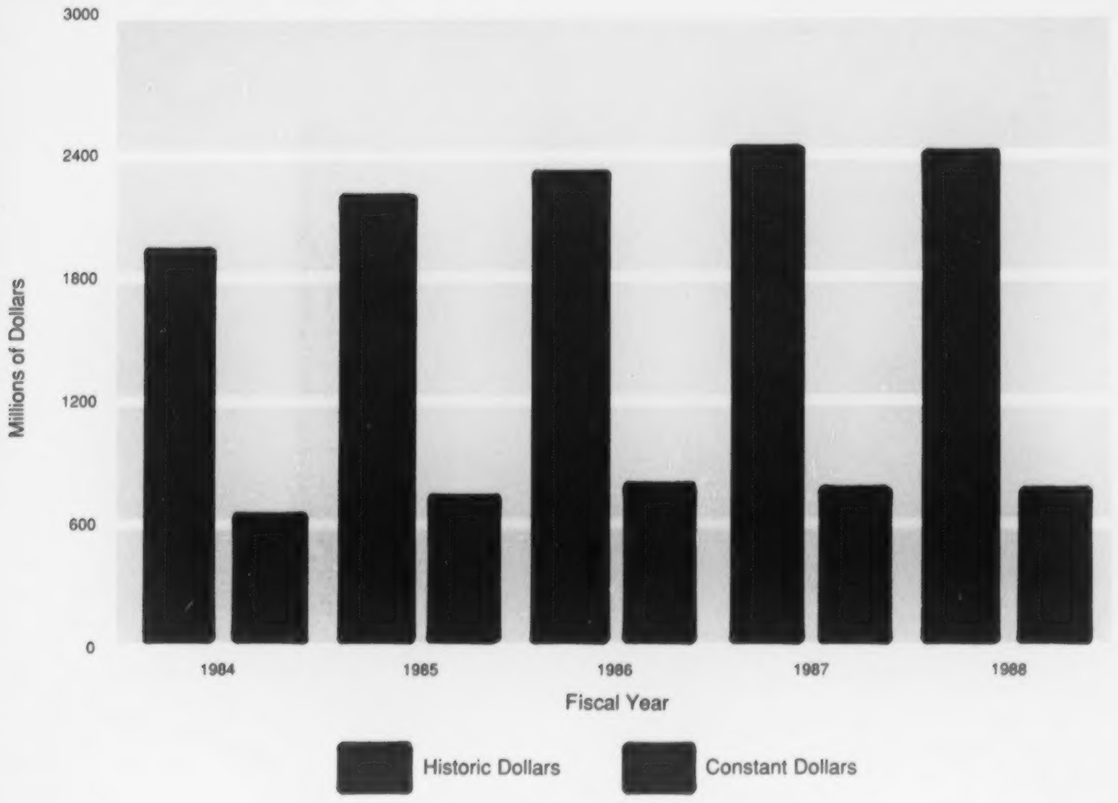
For the Last Five Years

	(Dollars Expressed in Millions) 1984	1985	1986	1987	1988
Revenues	$ 1,954	$ 2,163	$ 2,290	$ 2,320	$ 2,427
Percent Change Over Previous Year	20.5%	10.7%	5.9%	1.3%	4.6%
Expenditures	$ 1,949	$ 2,212	$ 2,369	$ 2,437	$ 2,432
Percent Change Over Previous Year	13.6%	13.5%	7.1%	2.9%	(0.2)%

Revenues and expenditures of "All Governmental Fund Types" include: The General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), Capital Projects Fund, and Debt Service Fund.

Expenditures Historical and Constant Dollars All Governmental Fund Types

For the Last Five Fiscal Years



For the Last Five Years

(Dollars Expressed in Millions)

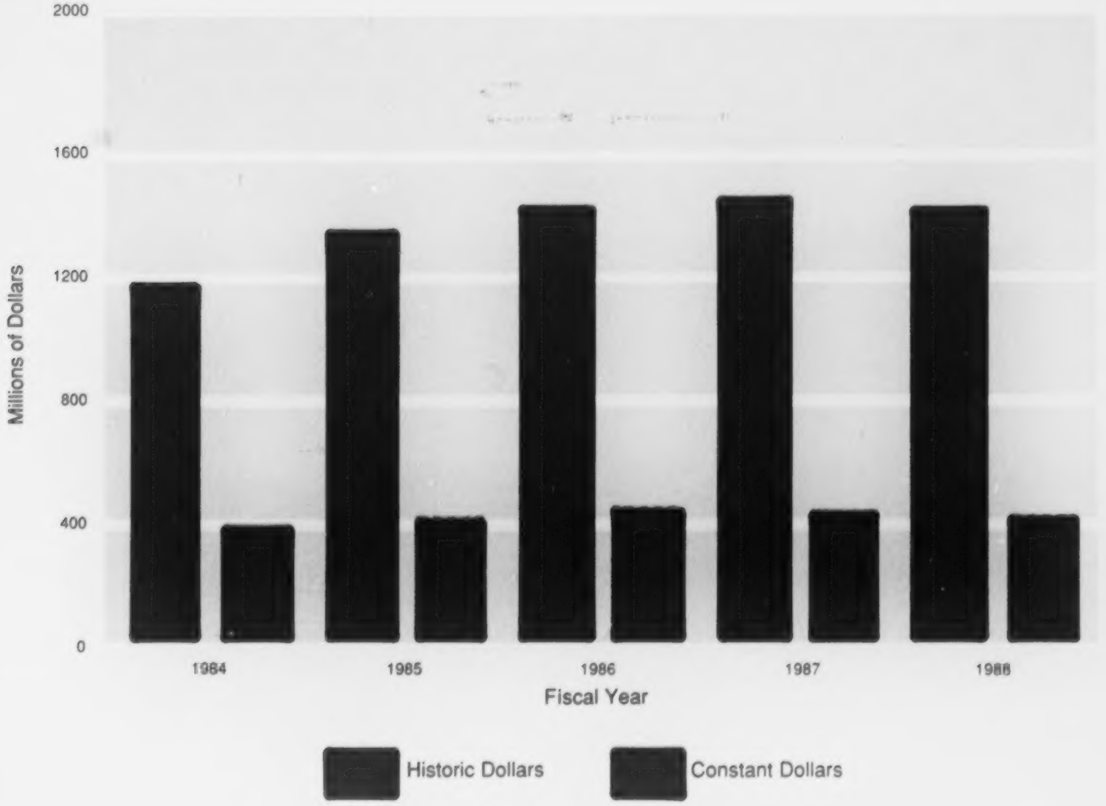
	1984	1985	1986	1987	1988
Historical Dollars	$ 1,949	$ 2,212	$ 2,369	$ 2,437	$ 2,432
Percent Change Over Previous Year	13.6%	13.5%	7.1%	2.9%	(0.2)%
Constant Dollars(A)	$ 639	$ 698	$ 727	$ 731	$ 712
Percent Change Over Previous Year	11.3%	9.2%	4.2%	0.6%	(2.6)%

Base Year 1967 = 100

(A) Note: Expenditures expressed in constant dollars were derived by using the consumer price index for all urban consumers.

Per Capita Expenditures
Historical and Constant Dollars
All Governmental Fund Types

For the Last Five Fiscal Years



All Governmental Fund Types

	1984	1985	1986	1987	1988
Historical Dollars	$ 1.201	$ 1.345	$ 1,422	$ 1,451	$ 1,421
Percent Change Over Previous Year	11.6%	12.0%	5.7%	2.0%	(2.1)%
Constant Dollars(A)	$ 394	$ 425	$ 436	$ 435	$ 416
Percent Change Over Previous Year	9.4%	7.9%	2.6%	(0.2)%	(4.4)%

Base Year 1967 = 100

(A) Note: Expenditures expressed in constant dollars were derived by using the consumer price index for all urban consumers.

Expenditure Comparison by Type General Fund

(Expressed in Thousands)

	For the Fiscal Year Ended June 30			
	1988	1987	Dollar Change	Percent Change
Personal Services	$ 219,515	$ 221,714	$ (2,199)	(1.0)%
Health Insurance	20,016	17,909	2,107	11.8
Retirement Benefits	25,715	26,365	(650)	(2.5)
Early Retirement Lump Sum Payment	5,847	—	5,847	100.0
FICA	15,892	15,509	383	2.5
Other Employee Benefits	7,591	7,197	394	5.5
In-State Travel	3,874	5,029	(1,155)	(23.0)
Out-of-State Travel	2,257	1,953	304	15.6
Data Processing	20,457	19,560	897	4.6
Communications	5,823	6,050	(227)	(3.8)
Professional and Technical Services	25,647	33,847	(8,200)	(24.2)
Employment Security Operations	35,174	37,465	(2,291)	(6.1)
Retirement Administration	7,561	6,993	568	8.1
Rent - Land and Equipment	8,863	8,897	(34)	(0.4)
Maintenance - Buildings and Equipment	11,101	12,008	(907)	(7.6)
Tax Anticipation Interest	5,034	7,270	(2,236)	(30.8)
Utilities	6,652	5,325	1,327	24.9
Other Current Expenditures	44,091	37,256	6,835	18.3
Land	3,385	2,818	567	20.1
Data Processing Equipment	7,365	5,029	2,336	46.5
Other Capital Outlays	8,374	8,971	(597)	(6.7)
Allocations to Institutions of Higher Education	336,095	320,532	15,563	4.9
Public Assistance Payments	151,197	135,267	15,930	11.8
Welfare Medical Payments	212,577	238,927	(26,350)	(11.0)
Social Services Block	20,693	21,429	(736)	(3.4)
W.I.C. Payments	12,640	11,295	1,345	11.9
Family Services - State Funded Programs	32,367	32,101	266	0.8
Cooperative Agreements	5,952	4,549	1,403	30.8
Payments to Other Governments	42,767	44,854	(2,087)	(4.7)
Distributions to Local School Districts	54	—	54	100.0
Other Service Payments	22,307	40,020	(17,713)	(44.3)
Pass Through Funds	9,575	2,518	7,057	280.2
Total	$ 1,336,458	$ 1,338,657	$ (2,199)	(0.2)%

Expenditure Comparison by Type
Uniform School Fund
Transportation Fund

(Expressed in Thousands)

UNIFORM SCHOOL FUND

	For the Fiscal Year Ended June 30			
	1988	1987	Dollar Change	Percent Change
Personal Services	$ 16,451	$ 17,903	$ (1,452)	(8.1)%
Health Insurance	1,385	1,307	78	6.0
Retirement Benefits	1,759	1,974	(215)	(10.9)
FICA	1,182	1,261	(79)	(6.3)
Other Employee Benefits	308	355	(47)	(13.2)
In-State Travel	430	560	(130)	(23.2)
Out-of-State Travel	188	133	55	41.4
Data Processing	2,585	2,817	(232)	(8.2)
Communications	422	485	(63)	(13.0)
Professional and Technical Services	2,310	1,897	413	21.8
Rent - Land and Equipment	1,142	967	175	18.1
Maintenance - Buildings and Equipment	119	102	17	16.7
Utilities	350	378	(28)	(7.4)
Other Current Expenditures	2,328	2,354	(26)	(1.1)
Capital Outlays	504	412	92	22.3
Payments to Other Governments	24,738	22,734	2,004	8.8
Distributions to Local School Districts	722,139	678,684	43,455	6.4
Other Service Payments	6,663	4,955	1,708	34.5
Area Vocational Centers	6,652	6,405	247	3.9
Total	$ 791,655	$ 745,683	$ 45,972	6.2%

TRANSPORTATION FUND

	For the Fiscal Year Ended June 30			
	1988	1987	Dollar Change	Percent Change
Personal Services	$ 37,690	$ 45,065	$ (7,375)	(16.4)%
Health Insurance	3,519	3,700	(181)	(4.8)
Retirement Benefits	4,035	5,210	(1,175)	(22.6)
FICA	2,713	3,236	(523)	(16.2)
Other Employee Benefits	675	941	(266)	(28.3)
In-State Travel	579	586	(7)	(1.2)
Out-of-State Travel	100	63	37	58.7
Data Processing	2,587	4,193	(1,606)	(38.3)
Communications	616	682	(66)	(9.7)
Professional and Technical Services	16,432	11,454	4,978	43.5
Materials and Supplies	17,882	13,481	4,401	32.6
Rent - Land and Equipment	12,414	10,360	2,054	19.8
Maintenance - Buildings and Equipment	1,331	4,156	(2,825)	(68.0)
Utilities	2,094	2,122	(28)	(1.3)
Other Current Expenditures	8,335	4,776	3,559	74.5
Land	3,487	6,595	(3,108)	(47.1)
Highway Construction	127,804	126,055	1,749	1.4
Other Capital Outlays	10,834	16,580	(5,746)	(34.7)
Payments to Other Governments	44,827	34,847	9,980	28.6
Pass Through	12,048	5,548	6,500	117.2
Total	$ 310,002	$ 299,650	$ 10,352	3.5%